

## EXHIBIT 309



**State of Ohio Board of Pharmacy**

77 South High Street, 17th Floor, Columbus, Ohio 43215-6126

(614) 466-4143 | Fax (614) 752-4836 | <http://www.pharmacy.ohio.gov>

**Written Response**

**License** [REDACTED]

**Prescription Supply, Inc.**

2233 Tracy Road  
Northwood, OH 43619  
Wood County

**Wholesaler/Manufacturer**

**Category Three**

**Wholesale Distributor Inspection**

**October 25, 2017**

PSI - J. Schoen  
**Exhibit**  
**2**

207780-CAK

2/27/2019

License [REDACTED] - Prescription Supply, Inc.

**Written Response Required Details****23) Wholesale Facilities**

9) The facility has a system in place to identify and report suspicious orders for drugs to the Ohio State Board of Phar...



License [REDACTED] - Prescription Supply, Inc.

Full

**State of Ohio Board of Pharmacy**

77 South High Street, 17th Floor, Columbus, Ohio 43215-6126

(614) 466-4143 | Fax (614) 752-4836

<http://www.pharmacy.ohio.gov>

Completed by Kevin E. Flaharty

Start 10/20/2017 3:18 AM

End 10/20/2017 3:49 AM

**Organization****Name**

Prescription Supply, Inc.

**License Type**

Wholesaler/Manufacturer

**Category**

Category Three

**License Number**

[REDACTED]

**Business Type**

Full Service

**DEA Number****Responsible**

Jacquelyn J. Harbauer

**Person****Hours of Operation****Contact****Address**2233 Tracy Road  
Northwood, OH 43619  
Wood County**Primary Number**

(419) 661-6600

**Fax Number**

(419) 661-6617

**Website****Personnel****Name**

Jacquelyn J. Harbauer

**Position I.D. No.**

Responsible

**Phone**

(419) 661-6600

**Email**

jharbauer@prescriptionsupply.com

Person

(419) 661-6600 x

tschoen@prescriptionsupply.com

Thomas G. Shoen

**Initials**

Manager

118

License [REDACTED] - Prescription Supply, Inc.

### 23) Wholesale Facilities

**\* 9) The facility has a system in place to identify and report suspicious orders for drugs to the Ohio State Board of Pharmacy. Written Response Required**

No

Observation

Observation 1:

An inspection was performed by Agents with the Ohio State Board of Pharmacy on May 22, 2017. During that inspection, Agents asked a Prescription Supply representative for their policies and procedures on reporting suspicious orders to the Ohio State Board of Pharmacy. Prescription Supply provided the Agents the following: Suspicious Order Monitoring Statement and Retail Pharmacy Questionnaire 2016.

However, Prescription Supply has not reported a suspicious drug order to the Ohio State Board of pharmacy during at least the years of 2014, 2015, 2016, and 2017. Therefore, it appears that Prescription Supply does not have a suspicious order reporting process compliant with rule 4729-9-16 (H)(1)(e)(i), which states, in part:

(H) Wholesale drug distributors shall establish and maintain inventories and records of all transactions regarding the receipt and distribution or other disposition of dangerous drugs.

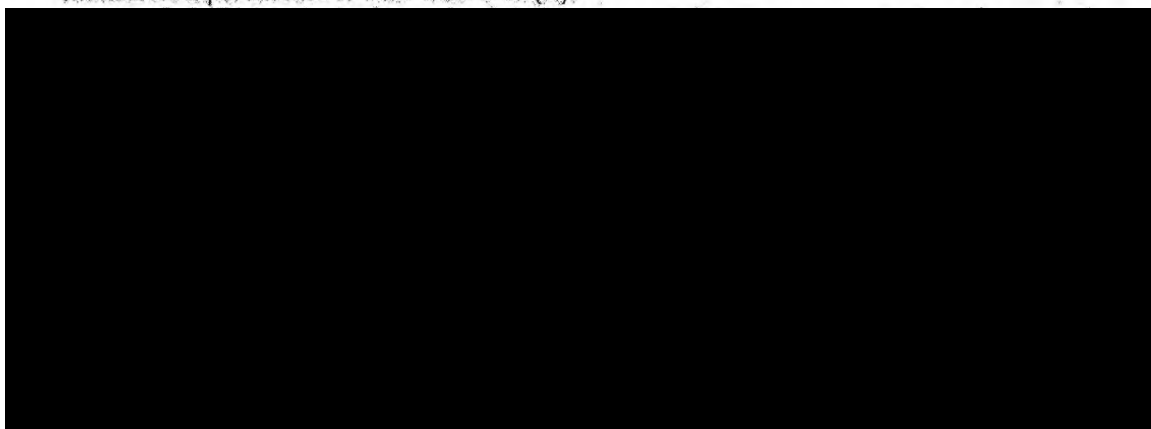
(1) These records shall include, but shall not be limited to, the following information:

(e) A system shall be designed and operated to disclose orders for controlled substances and other dangerous drugs subject to abuse.

(i) The wholesaler shall inform the state board of pharmacy of suspicious orders for drugs when discovered. Suspicious orders are those which, in relation to the wholesaler's records as a whole, are of unusual size, unusual frequency, or deviate substantially from established buying patterns.

**Warning with Required Written Response for:**

1. Explain in detail how your policies and procedures for identifying and reporting suspicious orders meet the requirements of rule 4729-9-16(H).



2. Explain in detail why there have been no suspicious orders reported to the Board for years 2014, 2015, 2016, and 2017.

**RESPONSE:** We have not had any suspicious orders as we have received prior justifications/explanations for quantity changes/spikes/terminations.

Observation 2:



License [REDACTED] - Prescription Supply, Inc.

A subsequent review of wholesale sale data reported to the Ohio State Board of Pharmacy for drugs containing Oxycodone 10mg and Oxycodone 30mg indicated many sales appeared to be of unusual size, unusual frequency, or that deviate substantially from established buying patterns, but were not reported to the Board of Pharmacy as suspicious orders. Specifically, we observed spikes in sales for specific months and sales that seem to steadily increase or spike and then abruptly stop. See referenced sales in the attached spreadsheet.

**Warning with Required Written Response for:**

1. Please explain the rationale for **EACH** of the monthly sales noted in attached spreadsheet, including but not limited to:  
 Why did Prescription Supply determine it was not necessary to report any of the sales to the Board of Pharmacy as a suspicious order?  
 For sales that steadily increase or spike and abruptly stop, please explain rationale for the stoppage.  
 Explain why the instances of high volume sales identified in the attached spreadsheet, including those that increased over time, were not identified as suspicious orders.
1. In the attached spreadsheet, where the Board has identified abrupt cessation of sales, did Prescription Supply refuse to continue selling to the particular customer? If so, explain why including, but not limited to:  
 Was the cessation of sales due to you identifying the sale as a suspicious order?  
 Did the customer cease sales on their own?  
 Was there some other explanation for the stoppage?

**33) Inspection Affirmation**

**1) Inspection Affirmation**

Observation

This inspection report is being emailed to you to respond to items surrounding suspicious orders. Please note, that a written response is required from you within five (5) business days and should be sent to [writtenresponse@pharmacy.ohio.gov](mailto:writtenresponse@pharmacy.ohio.gov) with a copy of this inspection report. If you have any questions, please contact Agent David Gonzalez at (937) 538-0774 or by email at [David.Gonzalez@pharmacy.ohio.gov](mailto:David.Gonzalez@pharmacy.ohio.gov)

**Summary**

**Written Response Required**

Reviewed by Jacquelyn J. Harbauer



(Signature)

[illegible]

1. Why did Prescription Supply determine it was not necessary to report any of the sales to the Board of Pharmacy as a suspicious order?

2. For sales that steadily increase or spike and abruptly stop, please explain rationale for the stoppage.

**Not Applicable**

2. Explain why the instances of high volume sales identified in the attached spreadsheet, including those that increased over time, were not identified as suspicious orders.

**Not suspicious as explanation provided prior to increase.**

4. In the attached spreadsheet, where the Board has identified abrupt cessation of sales, did Prescription Supply refuse to continue selling to the particular customer? If so, explain why including, but not limited to:

- a Was the cessation of sales due to you identifying the sale as a suspicious order?
- b Did the customer cease sales on their own?
- c Was there some other explanation for the stoppage?

**Not Applicable**

1. Why did Prescription Supply determine it was not necessary to report any of the sales to the Board of Pharmacy as a suspicious order? **Pharmacy submitted reason for increase due to projected shortage as defined by manufacturer's representative and an increase in patients due to additional doctors moving into the building. (See attached [REDACTED])**

2. For sales that steadily increase or spike and abruptly stop, please explain rationale for the stoppage.

**Not Applicable**

3. Explain why the instances of high volume sales identified in the attached spreadsheet, including those that increased over time, were not identified as suspicious orders.

**Not suspicious as explanation provided prior to increase.**

4. In the attached spreadsheet, where the Board has identified abrupt cessation of sales, did Prescription Supply refuse to continue selling to the particular customer? If so, explain why including, but not limited to:

d Was the cessation of sales due to you identifying the sale as a suspicious order?

e Did the customer cease sales on their own?

f Was there some other explanation for the stoppage?

**Not Applicable**

1. Why did Prescription Supply determine it was not necessary to report any of the sales to the Board of Pharmacy as a suspicious order? **Pharmacy submitted reasons for increase due to shortage by its primary supplier, Cardinal Health. (See [REDACTED])**

2. For sales that steadily increase or spike and abruptly stop, please explain rationale for the stoppage.

**Not Applicable**

3. Explain why the instances of high volume sales identified in the attached spreadsheet, including those that increased over time, were not identified as suspicious orders.

**Not suspicious as explanation provided prior to increase.**

4. In the attached spreadsheet, where the Board has identified abrupt cessation of sales, did Prescription Supply refuse to continue selling to the particular customer? If so, explain why including, but not limited to:

g Was the cessation of sales due to you identifying the sale as a suspicious order?

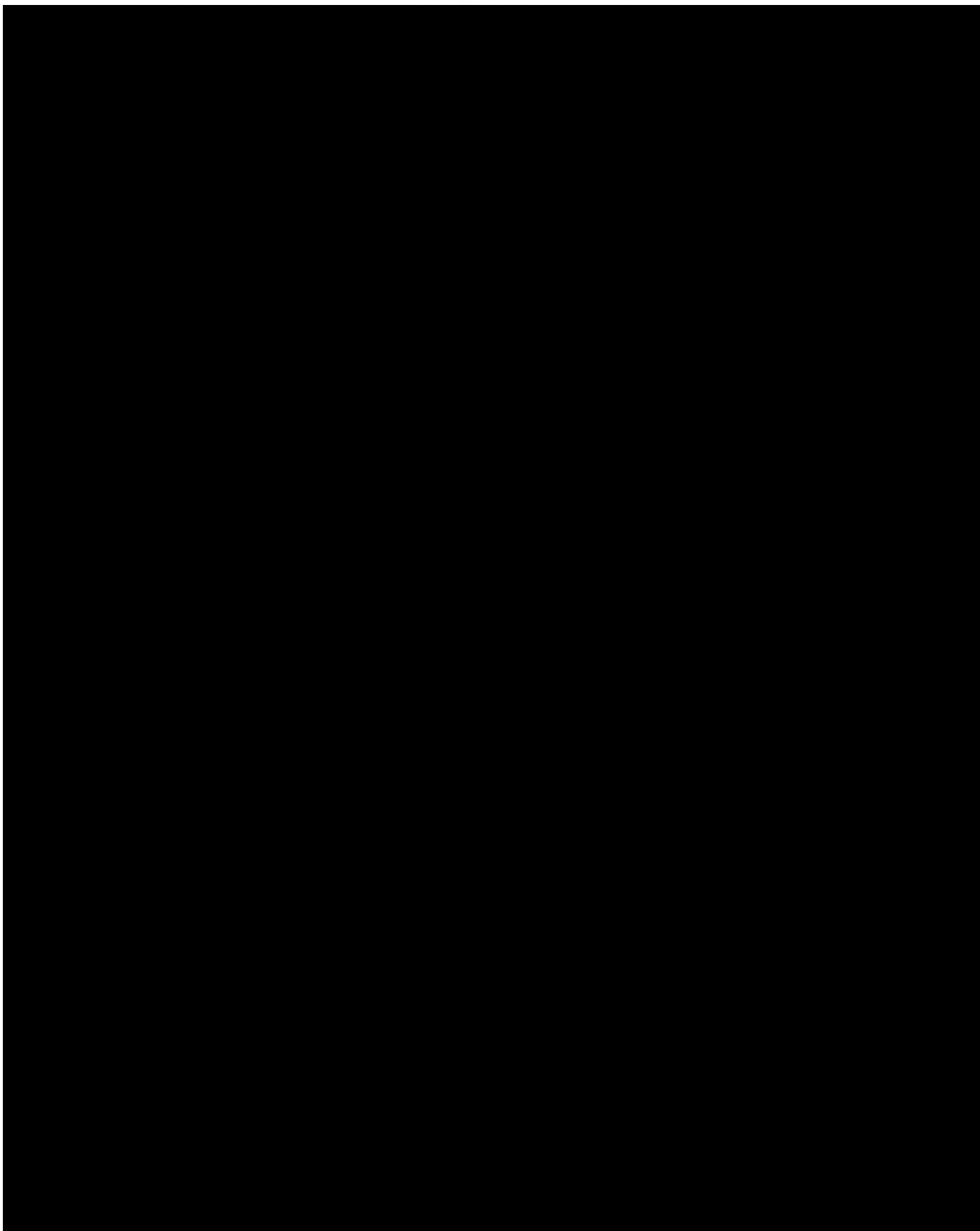
h Did the customer cease sales on their own?

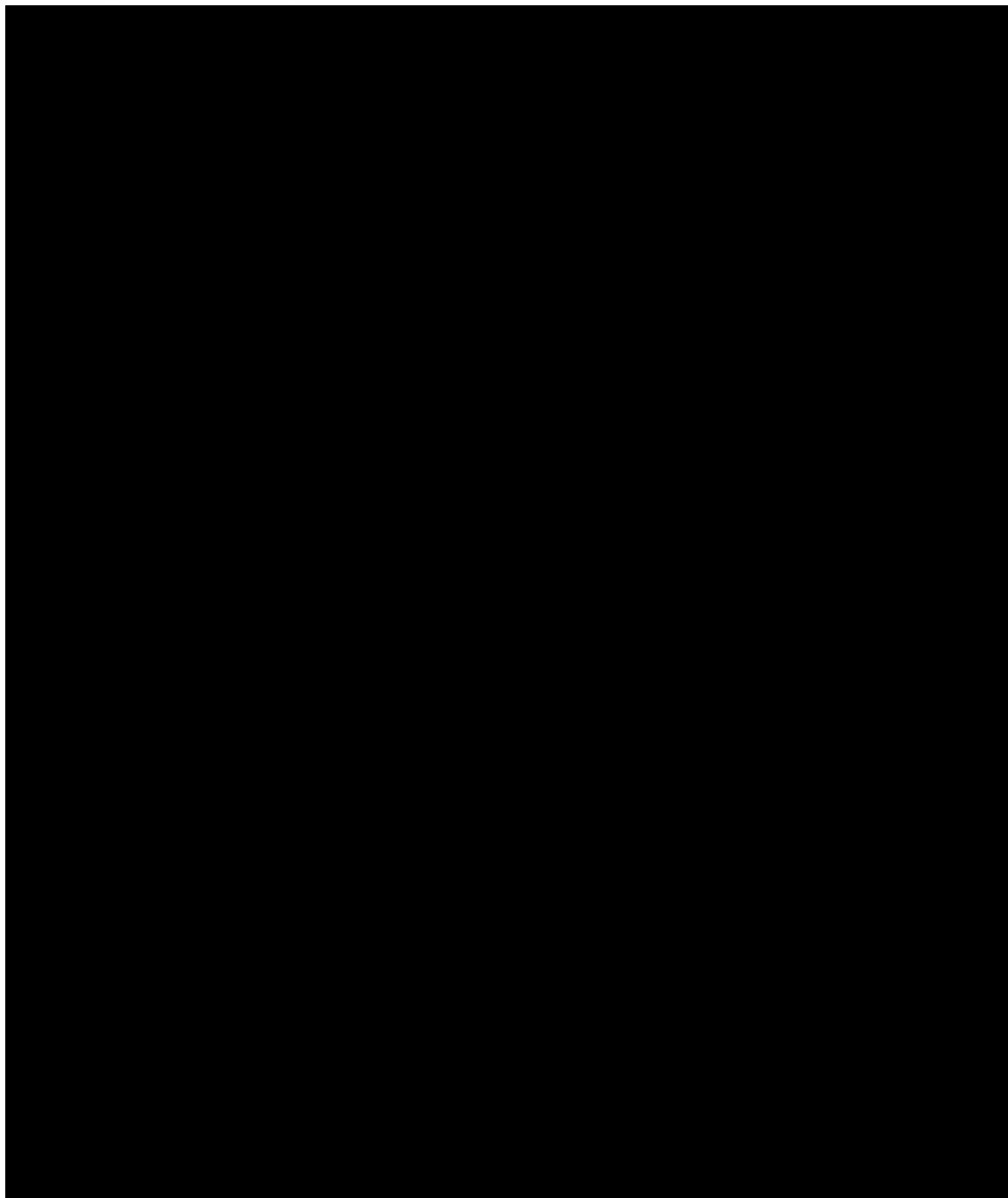
i Was there some other explanation for the stoppage?

**Not Applicable**

- [REDACTED]
1. Why did Prescription Supply determine it was not necessary to report any of the sales to the Board of Pharmacy as a suspicious order? **There was no spike in sales in October, 2017** [REDACTED] [REDACTED]
  2. For sales that steadily increase or spike and abruptly stop, please explain rationale for the stoppage.  
[REDACTED] **Last order was on August 9, 2017. There was no order and therefore no spike in October 2017.**
  3. Explain why the instances of high volume sales identified in the attached spreadsheet, including those that increased over time, were not identified as suspicious orders.  
**There was no spike in sales in October, 2017** [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
  4. In the attached spreadsheet, where the Board has identified abrupt cessation of sales, did Prescription Supply refuse to continue selling to the particular customer? If so, explain why including, but not limited to:
    - j Was the cessation of sales due to you identifying the sale as a suspicious order?
    - k Did the customer cease sales on their own?
    - l Was there some other explanation for the stoppage?  
**Customer stopped buying** [REDACTED] [REDACTED] [REDACTED]

**NOTE: On your data base, Thomas G. Schoen's name is misspelled. Also, Thomas is our President.**

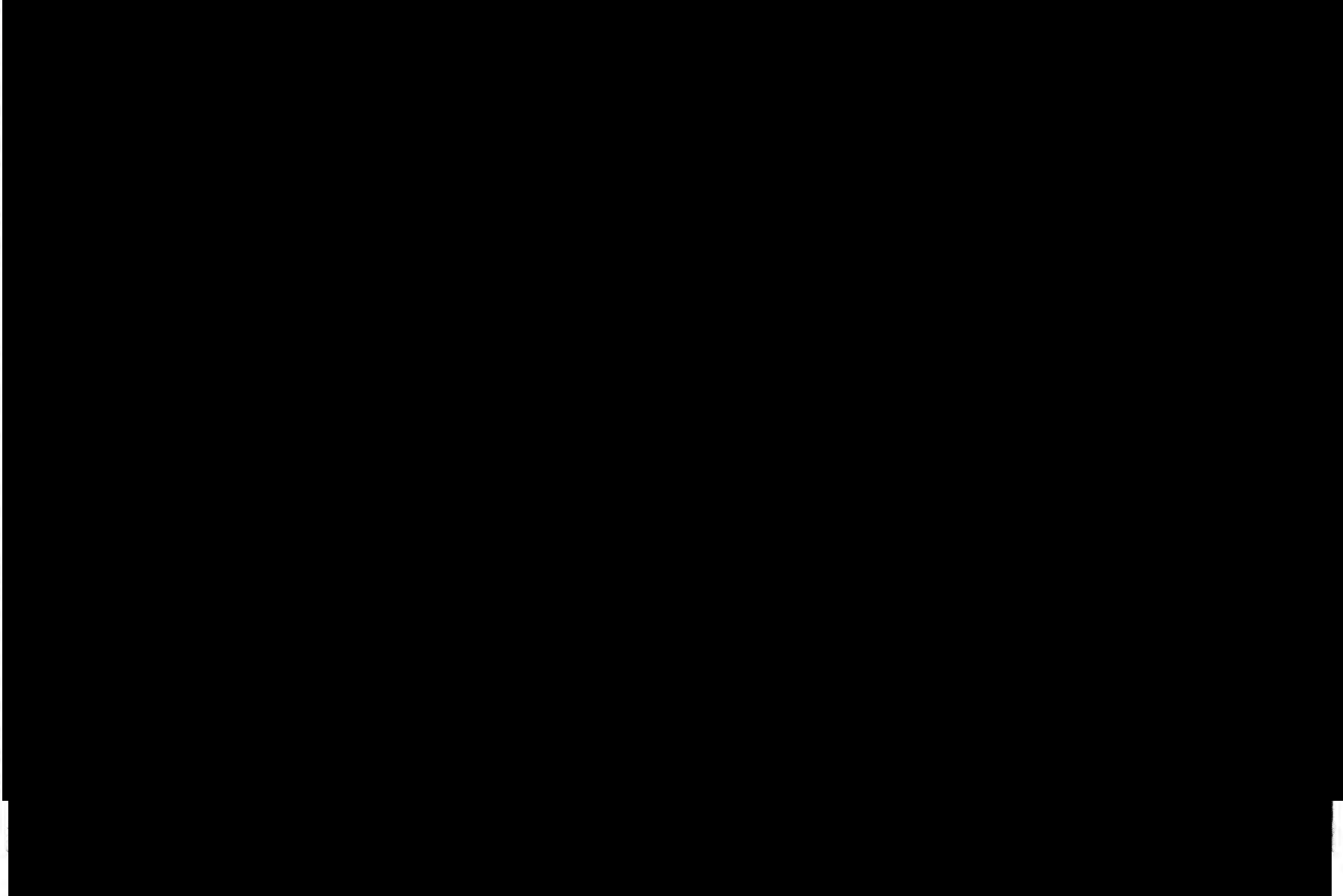




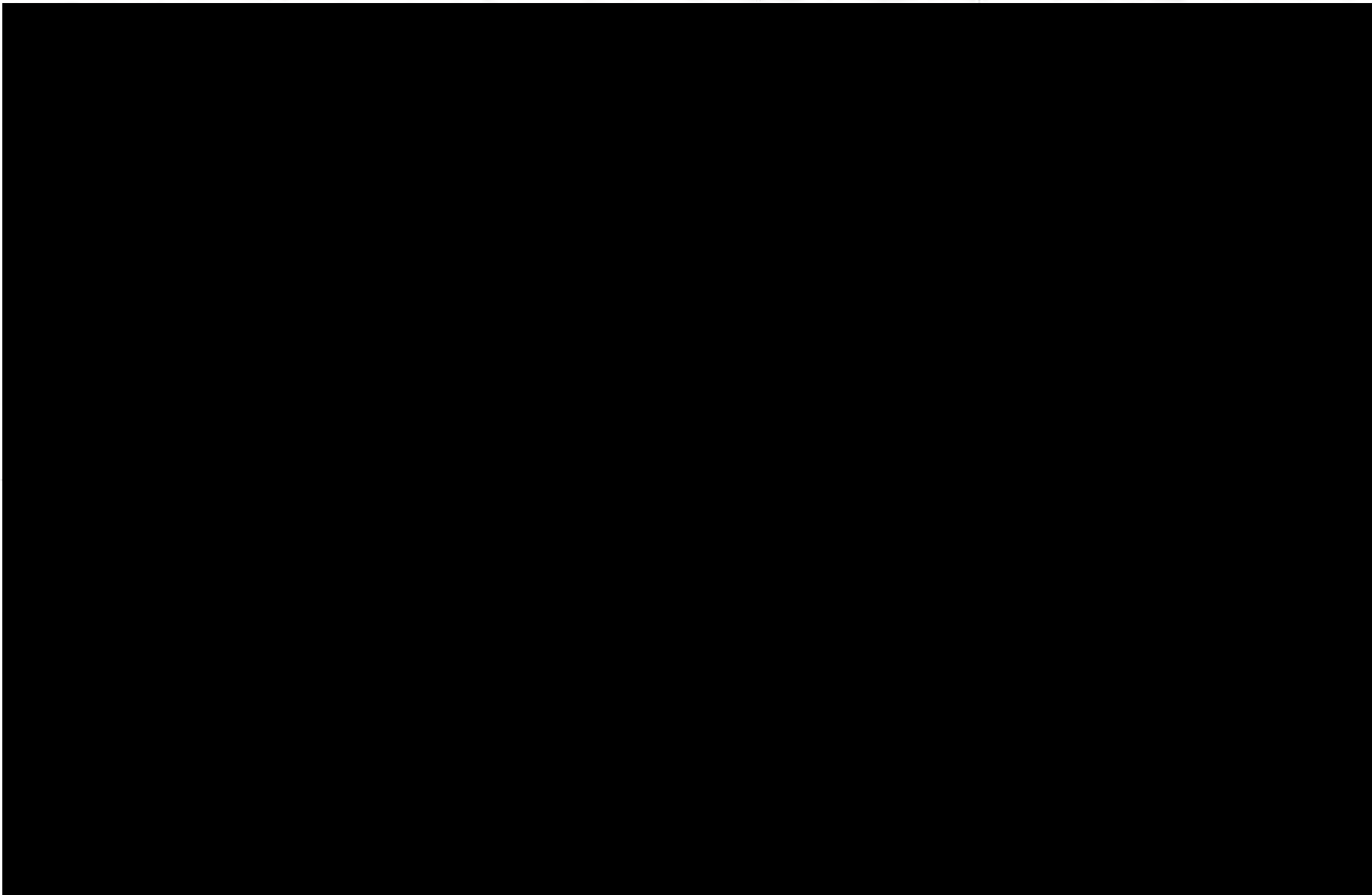


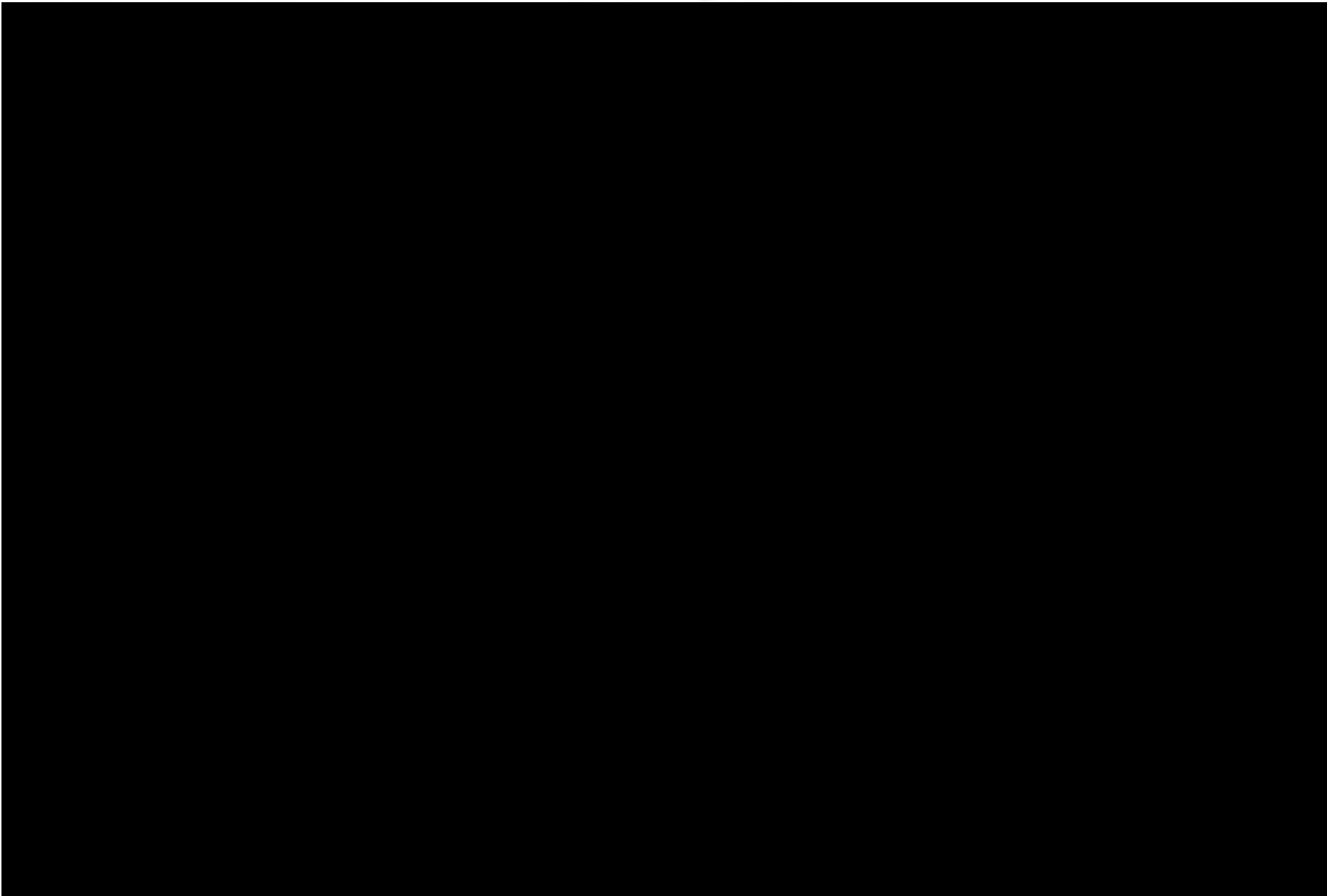
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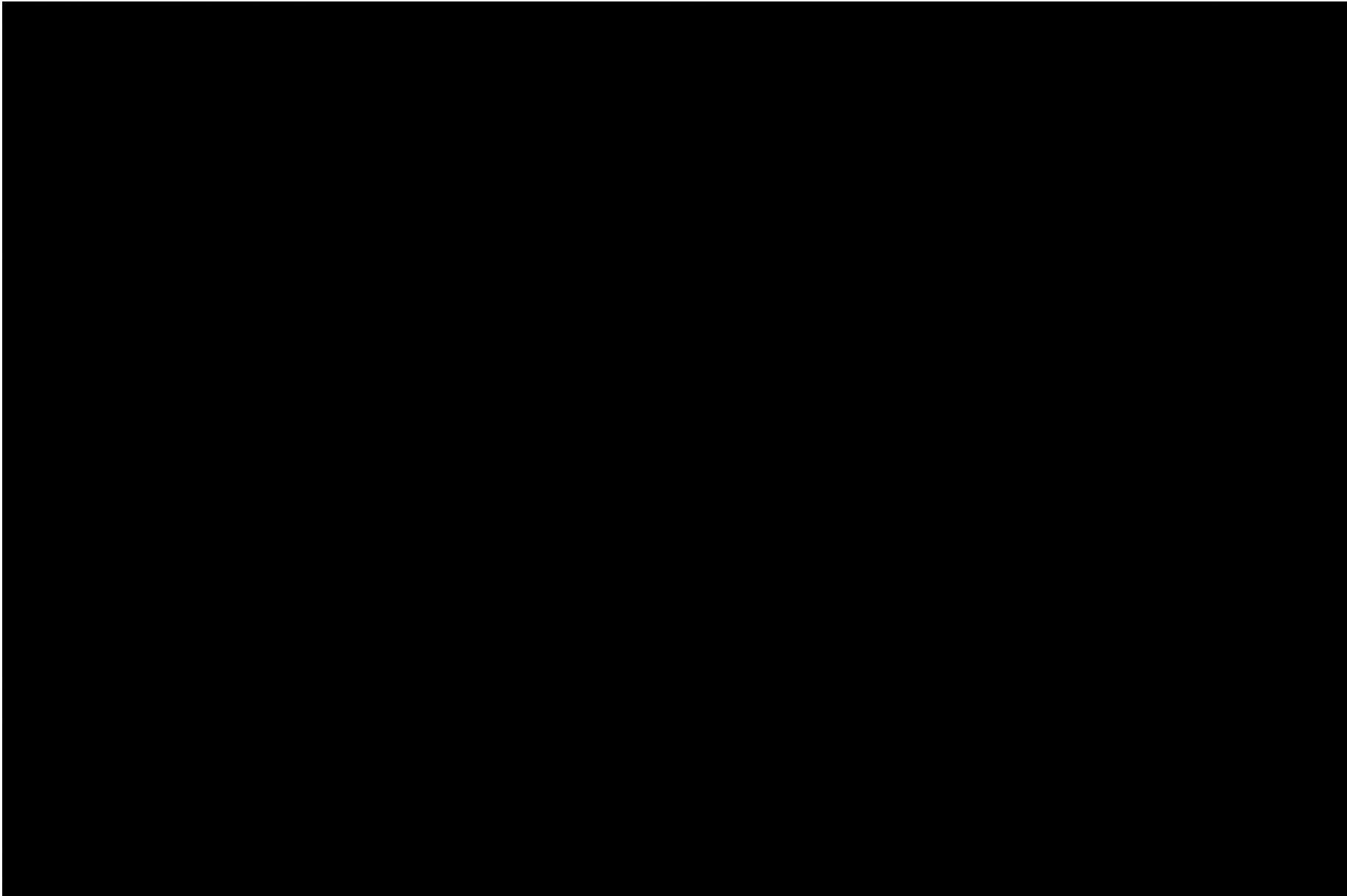
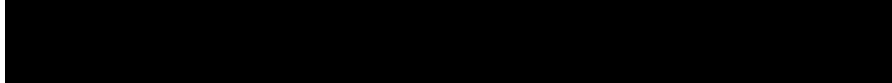
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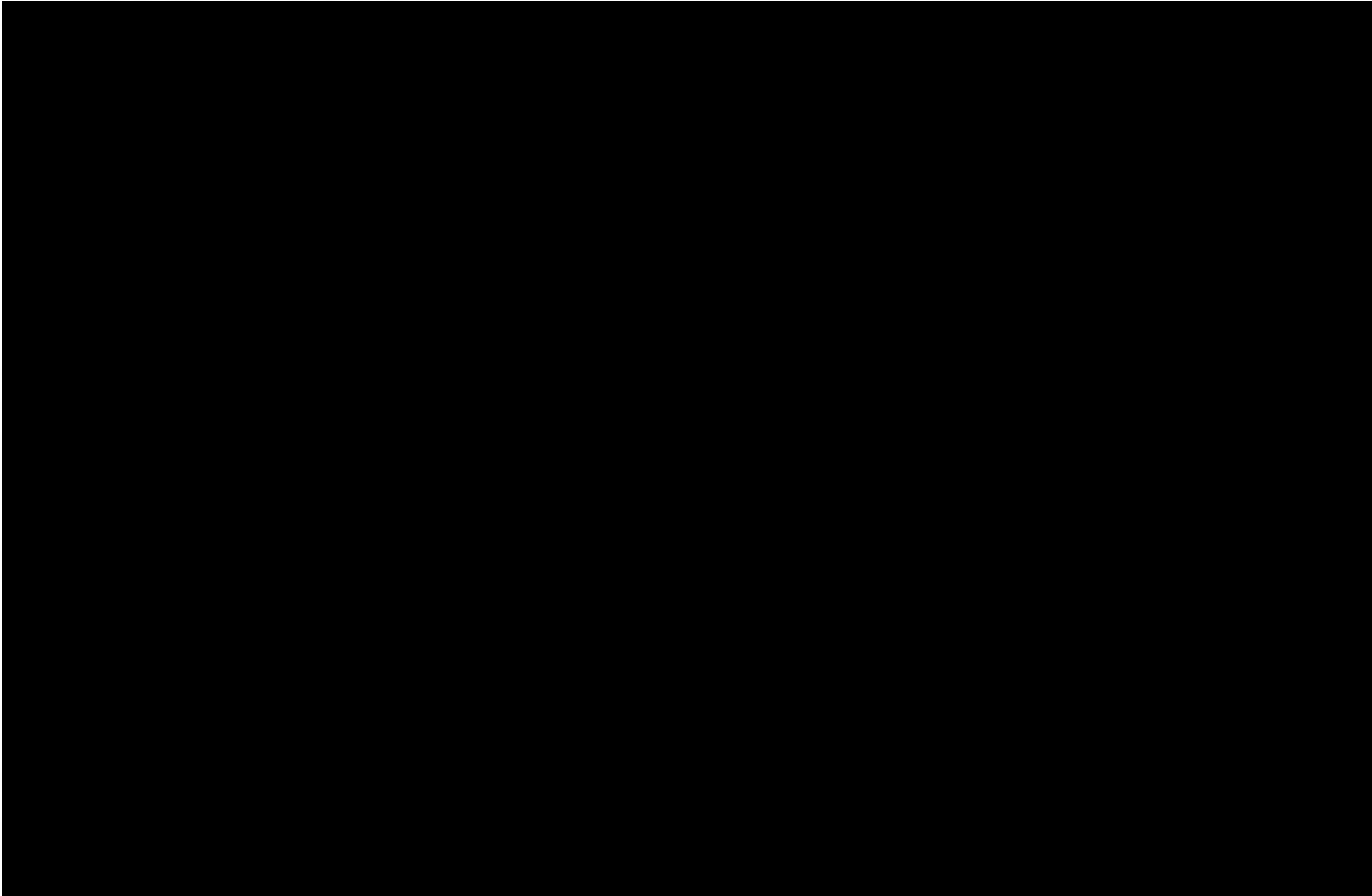


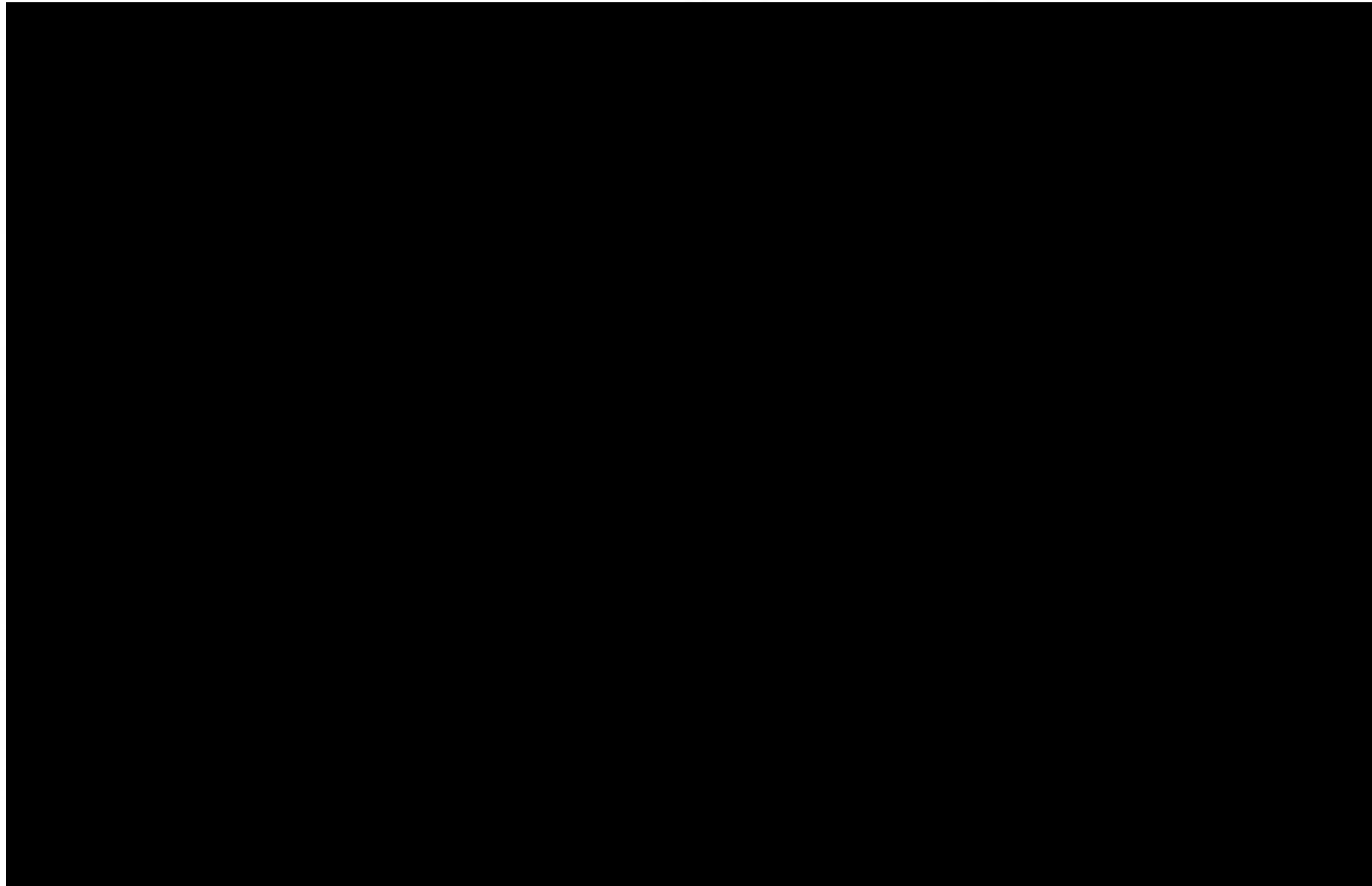
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Run Date: 10-26-17

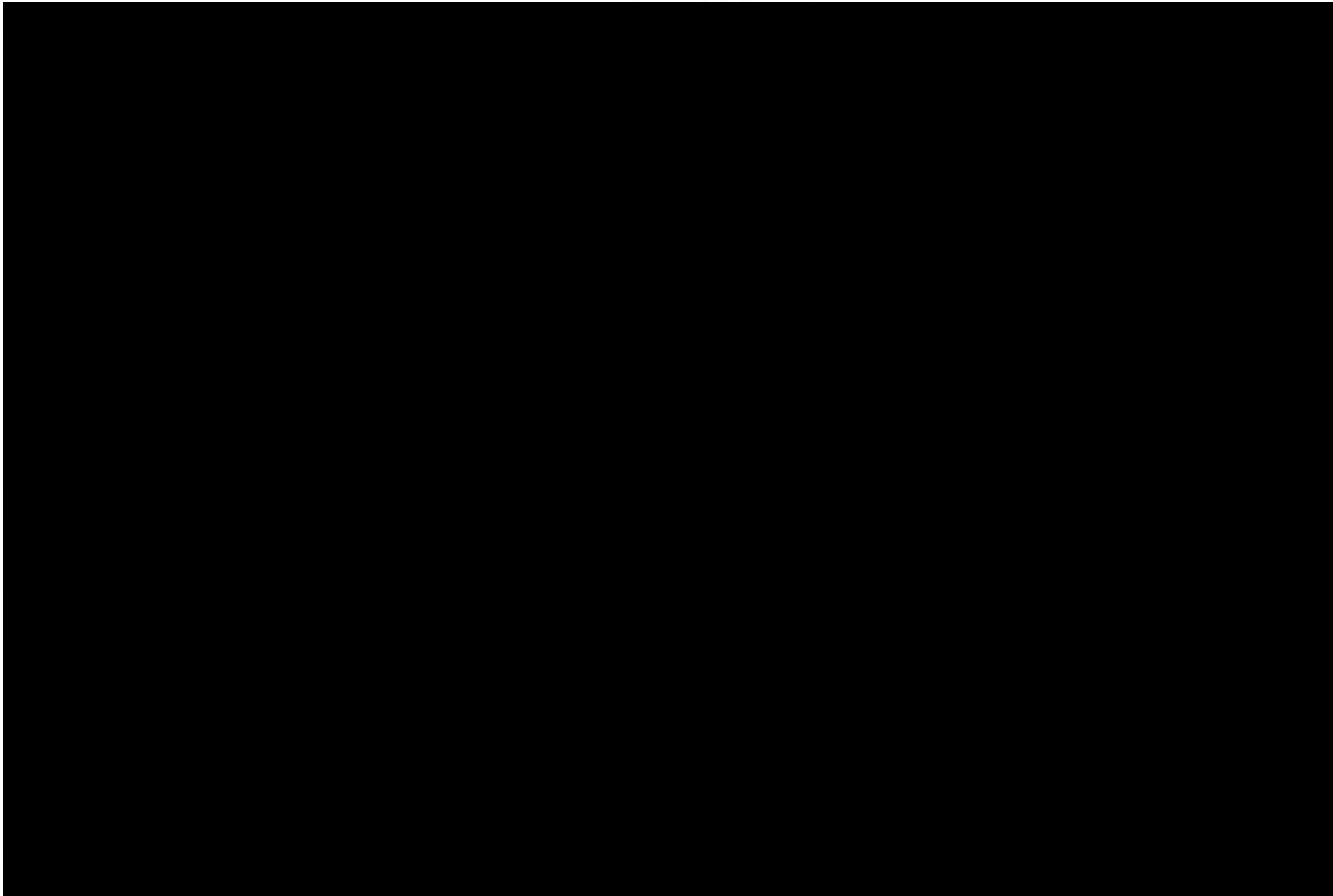


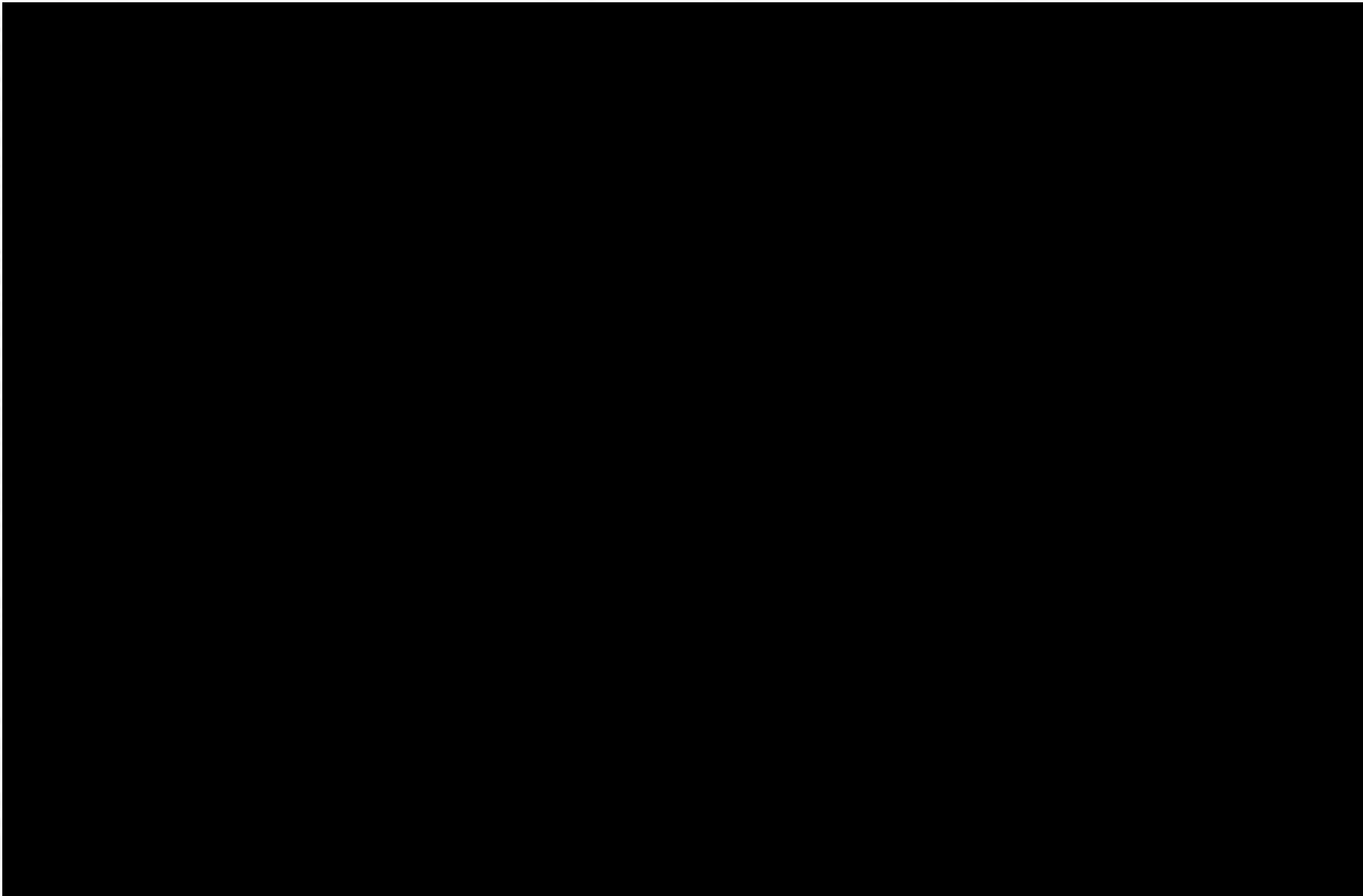
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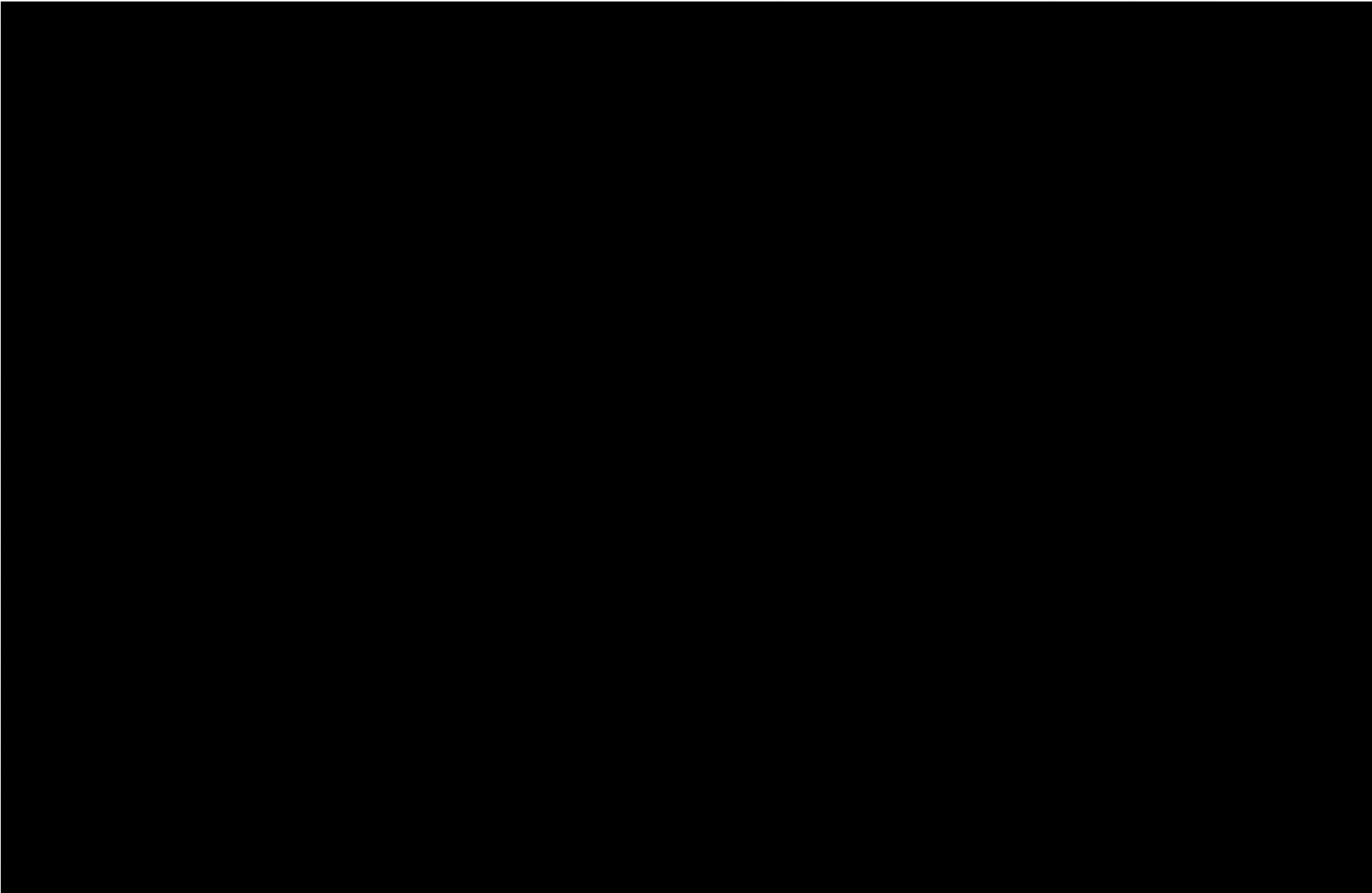


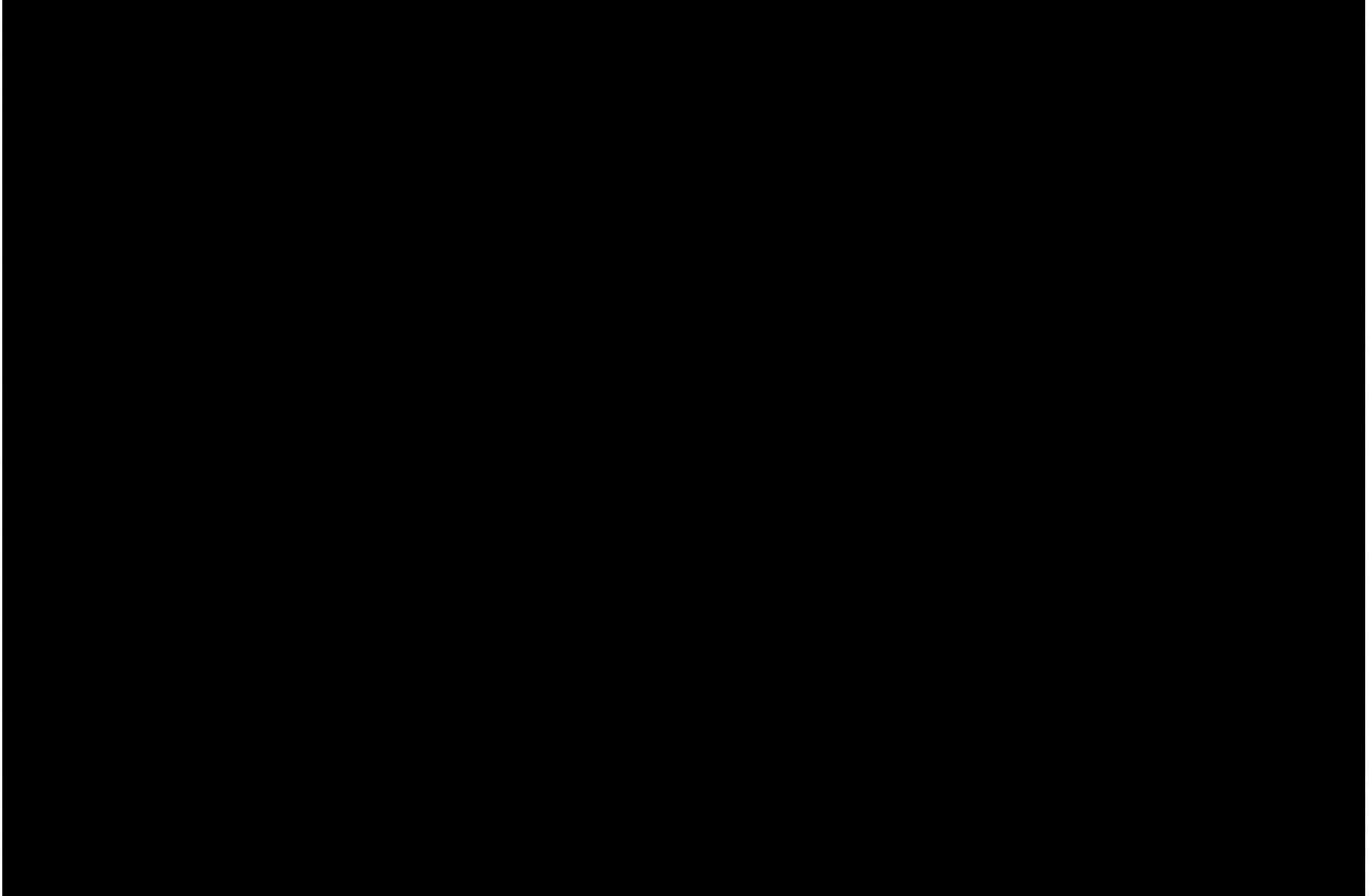


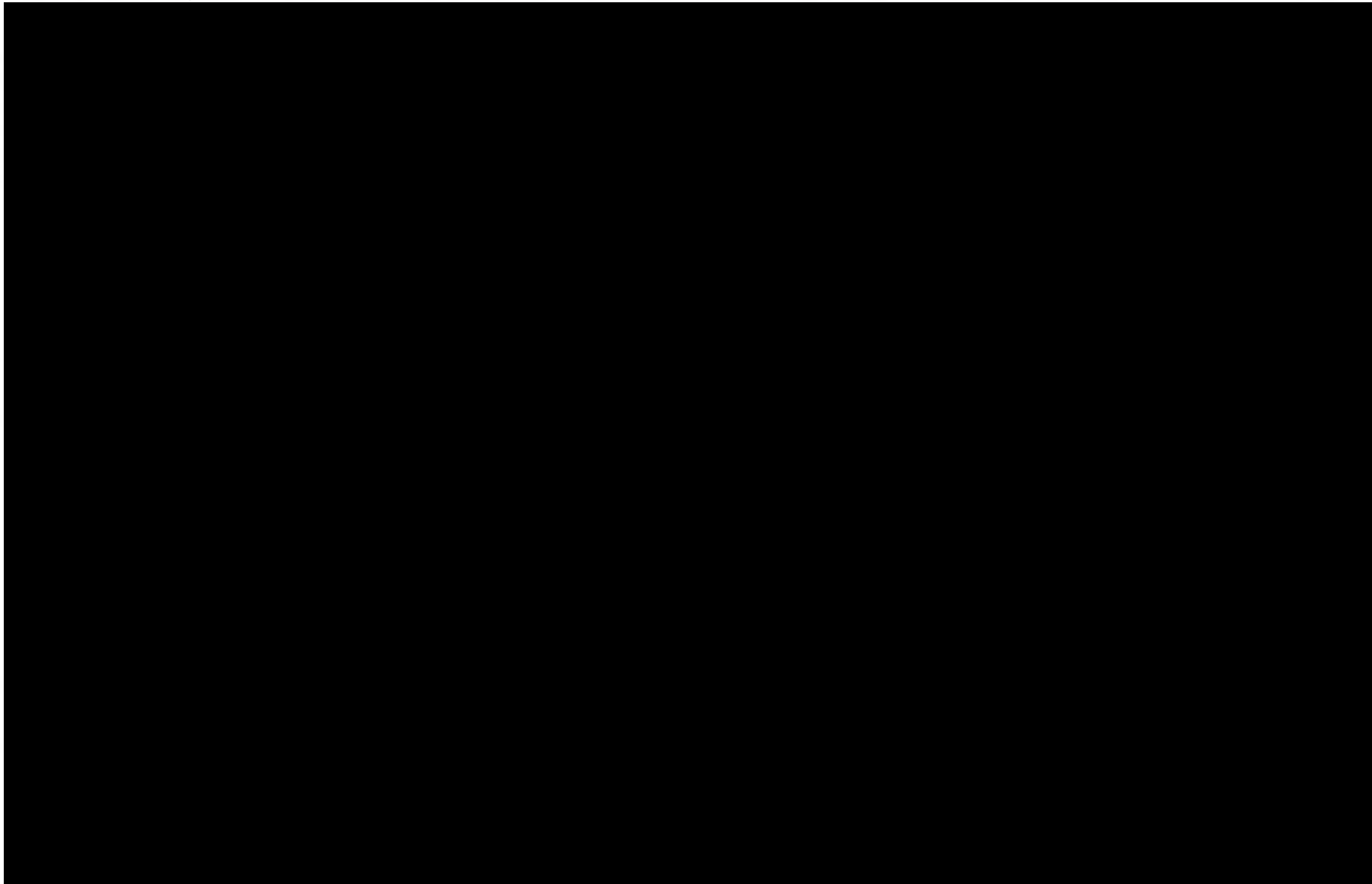


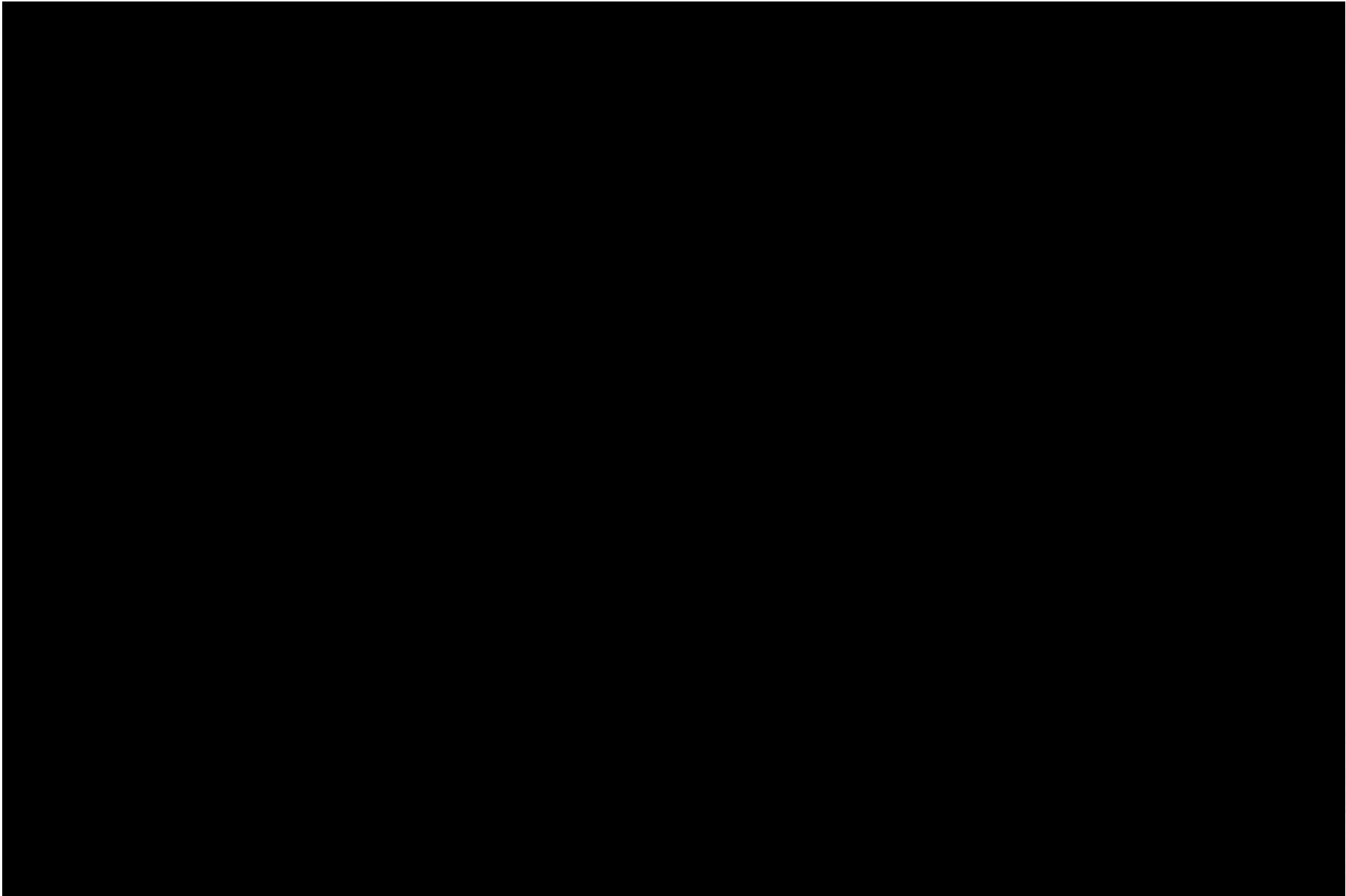




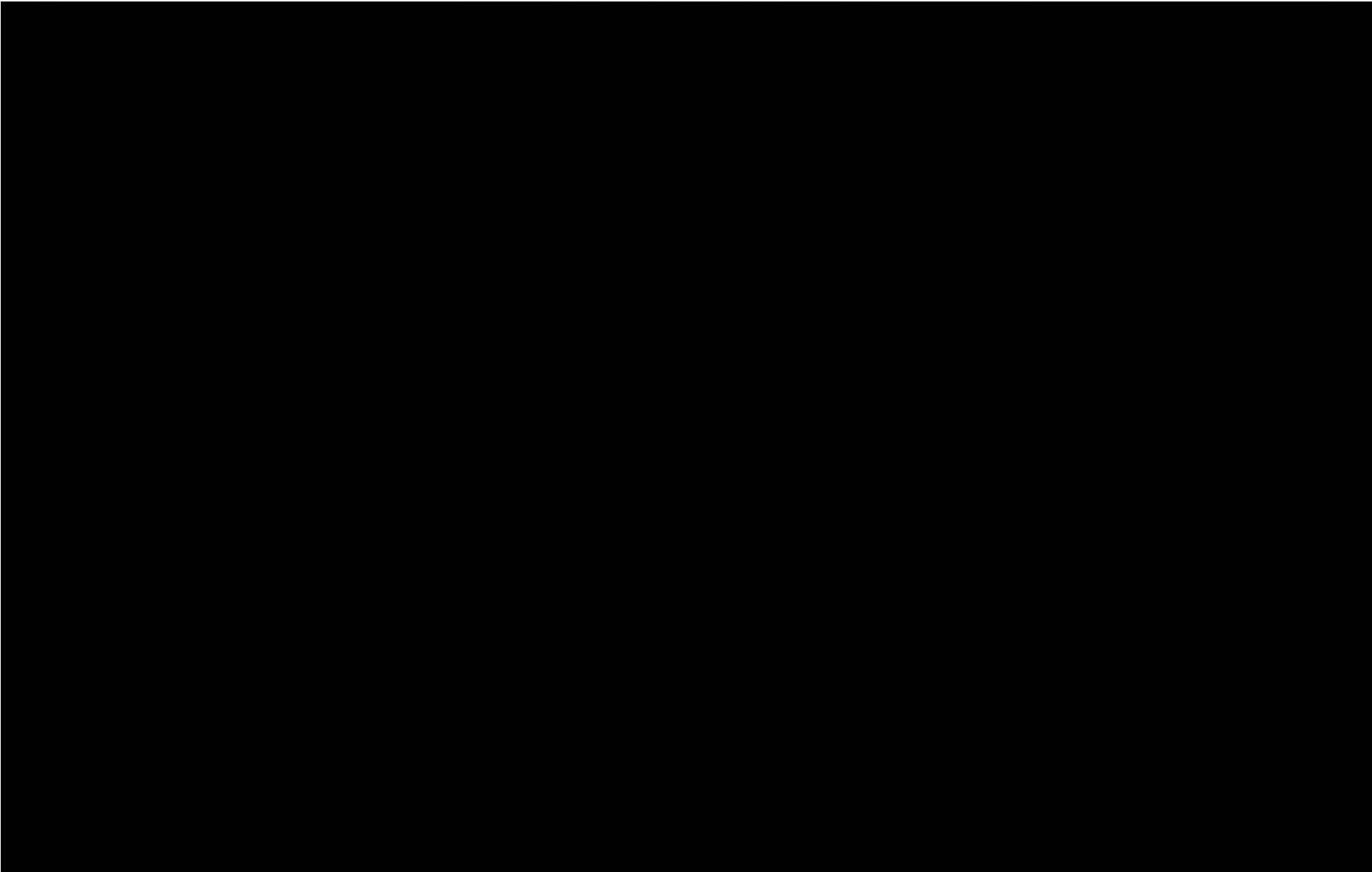


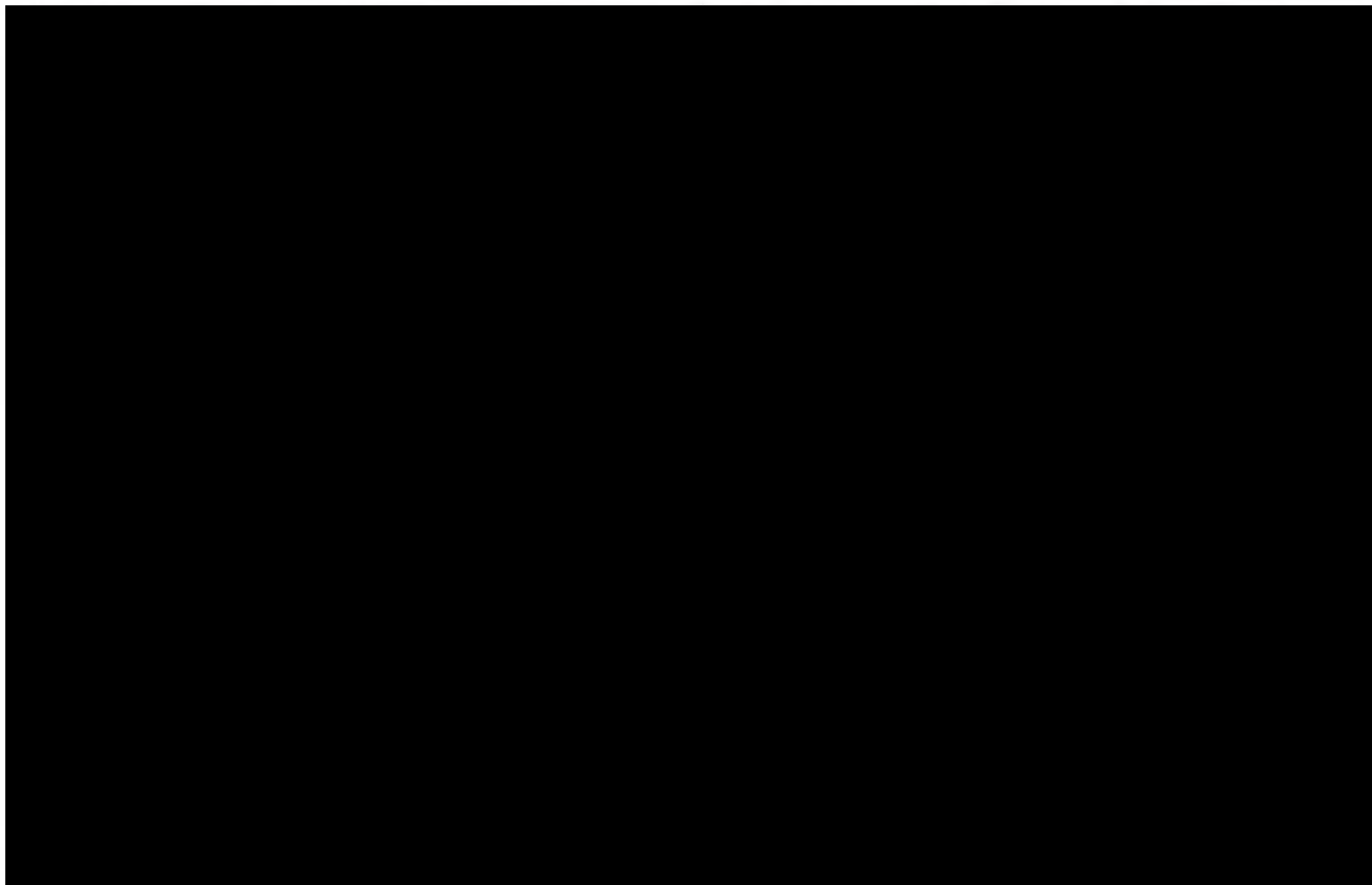


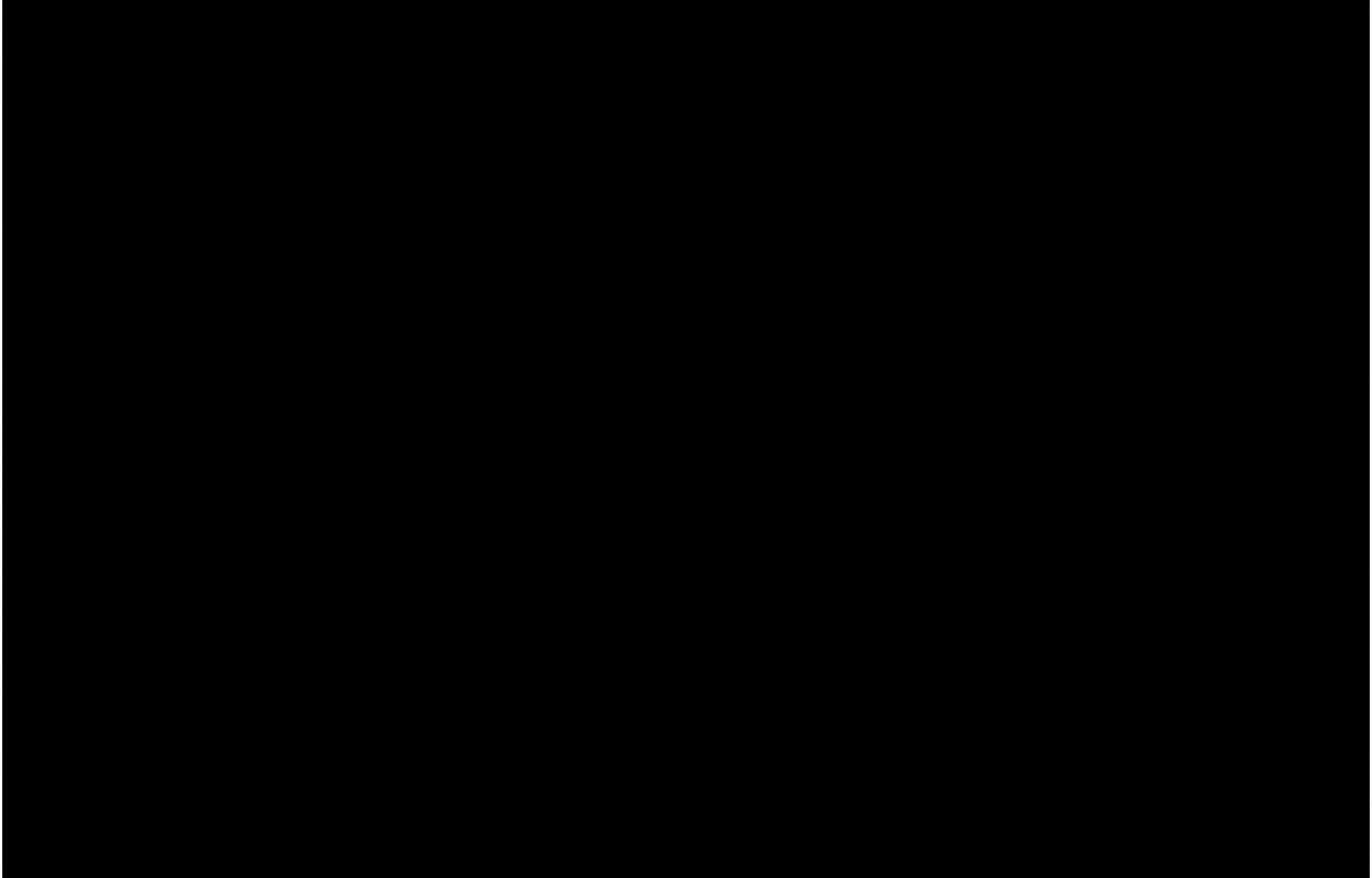


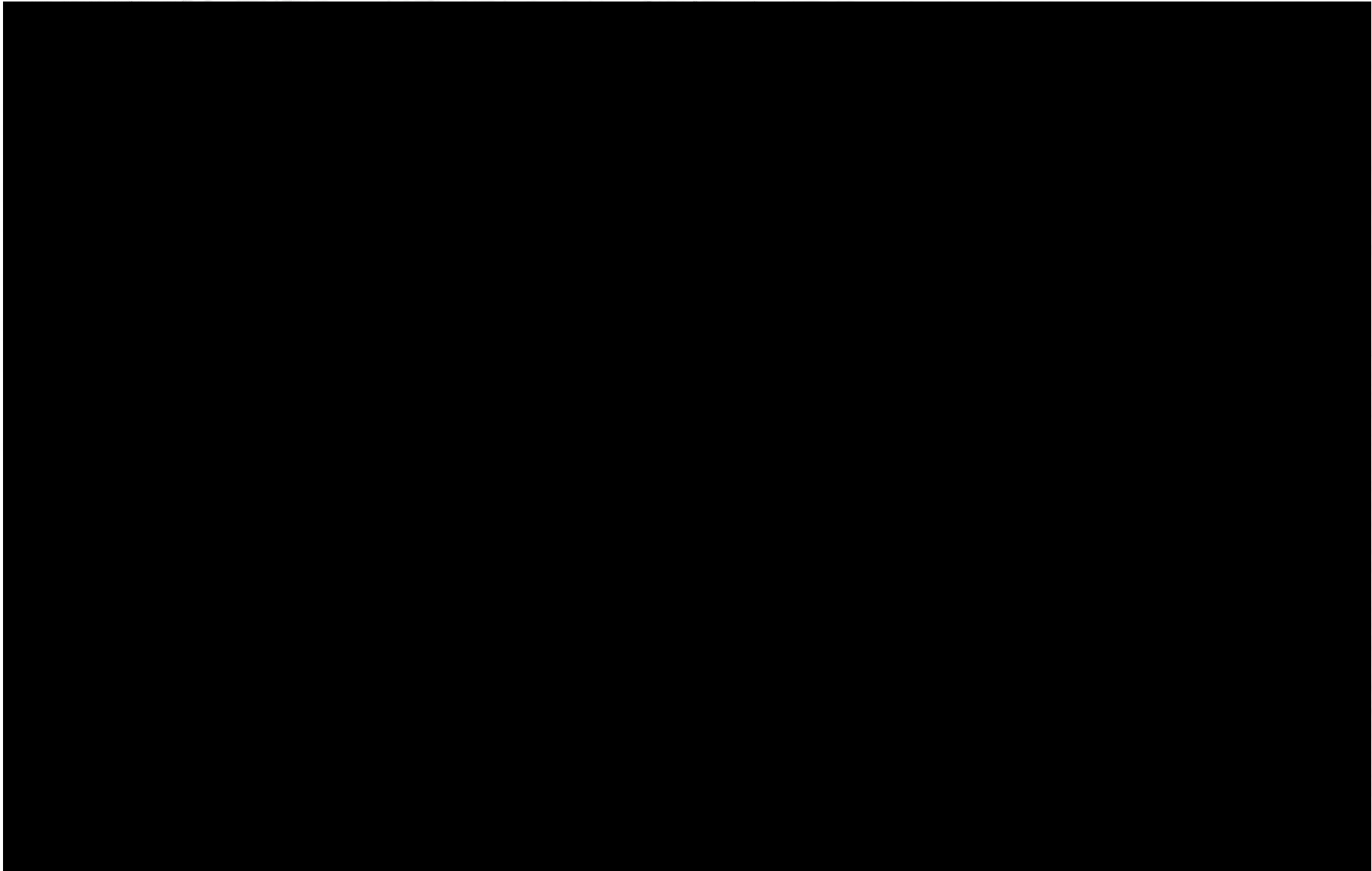
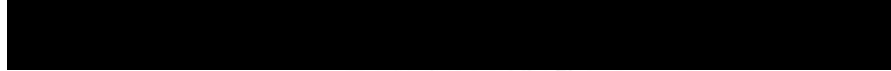


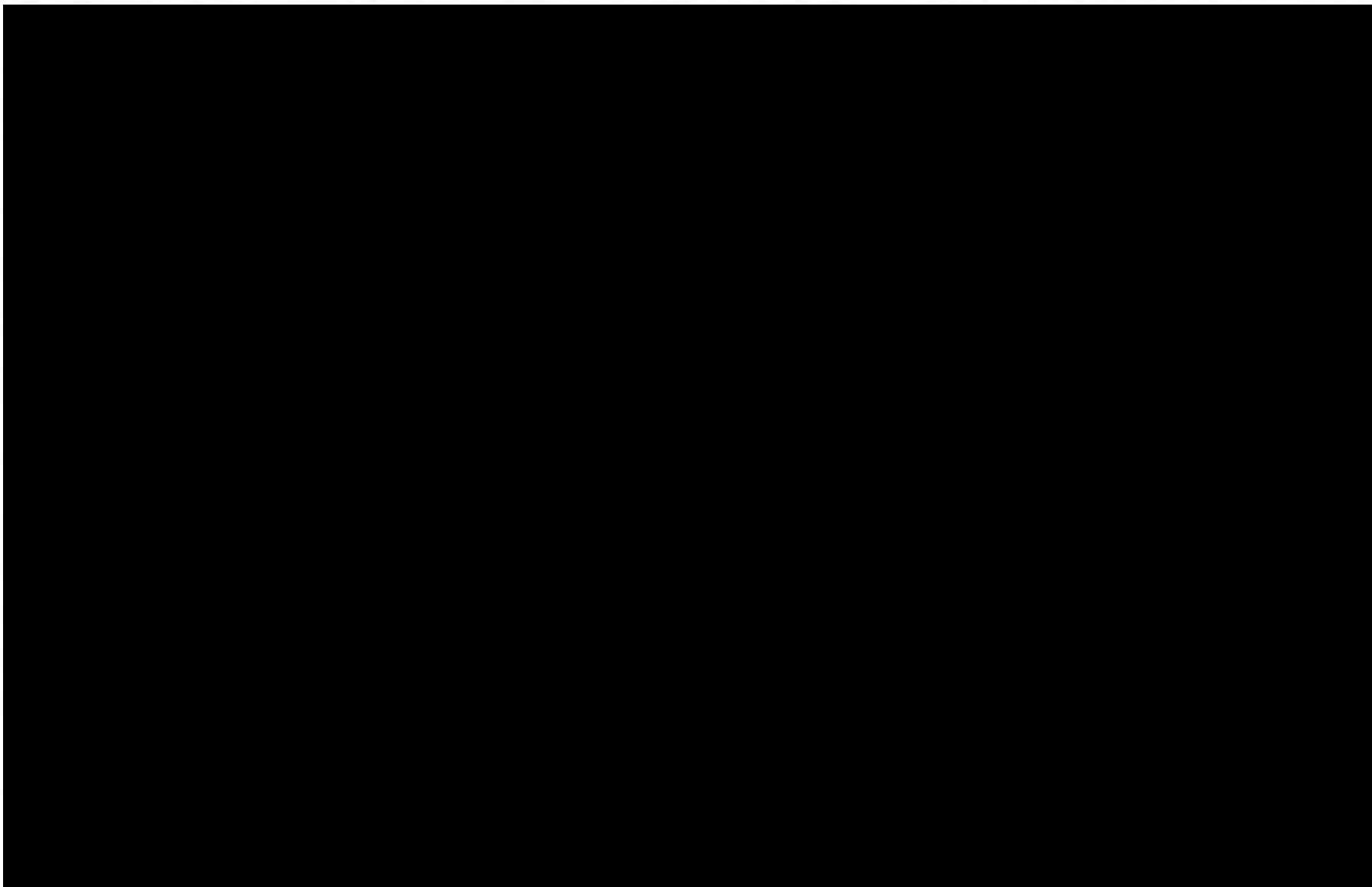


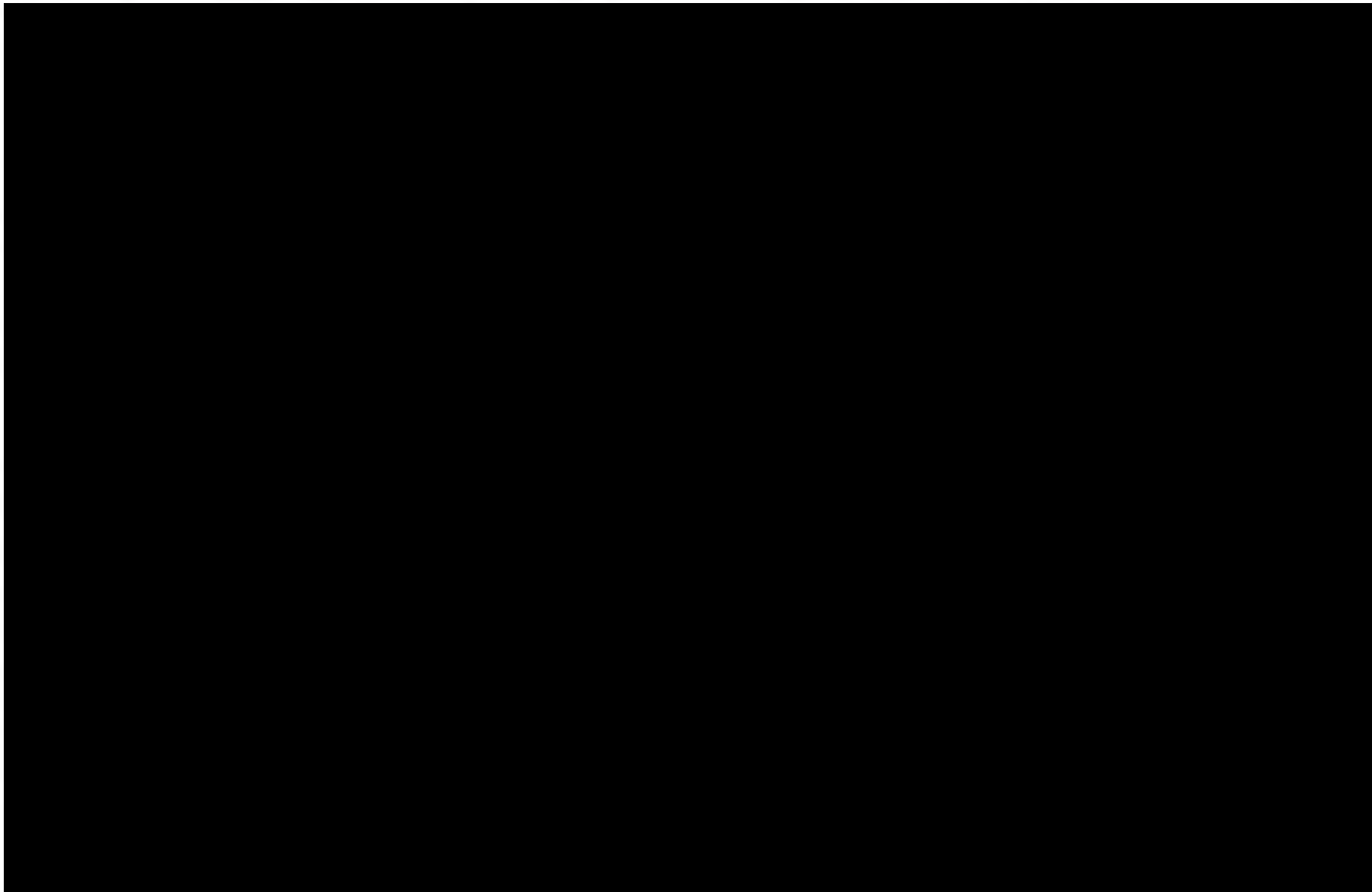




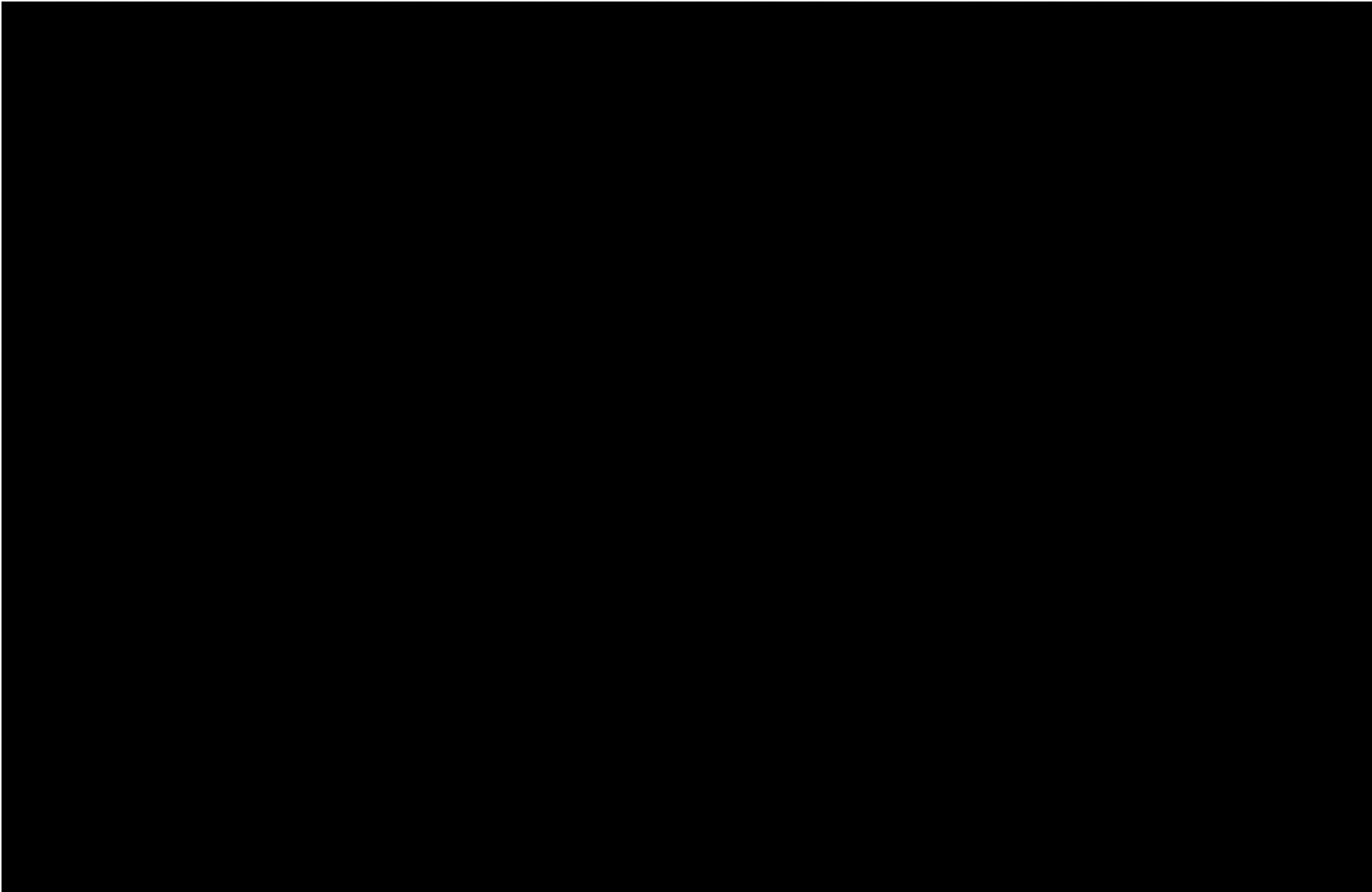


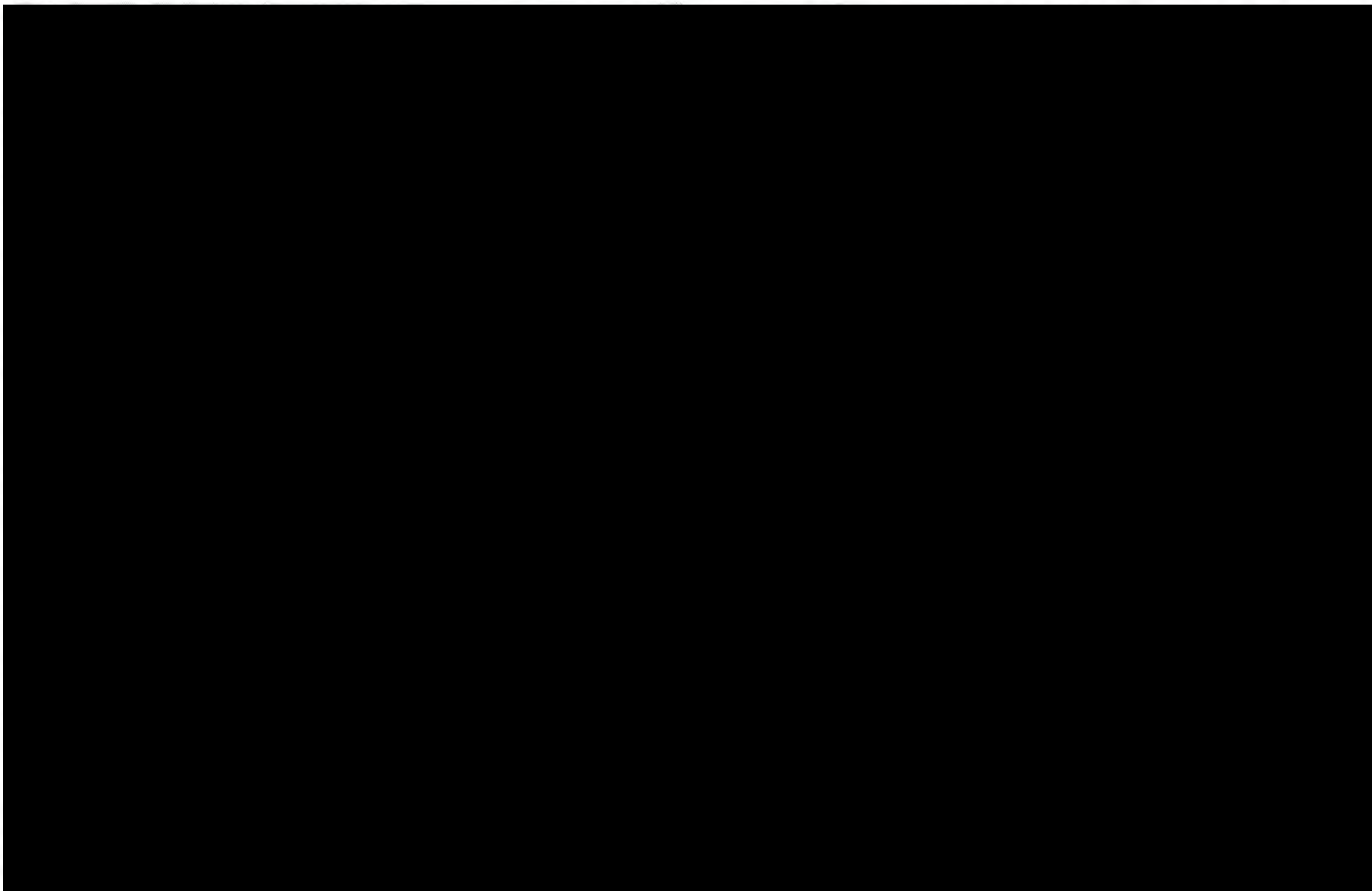


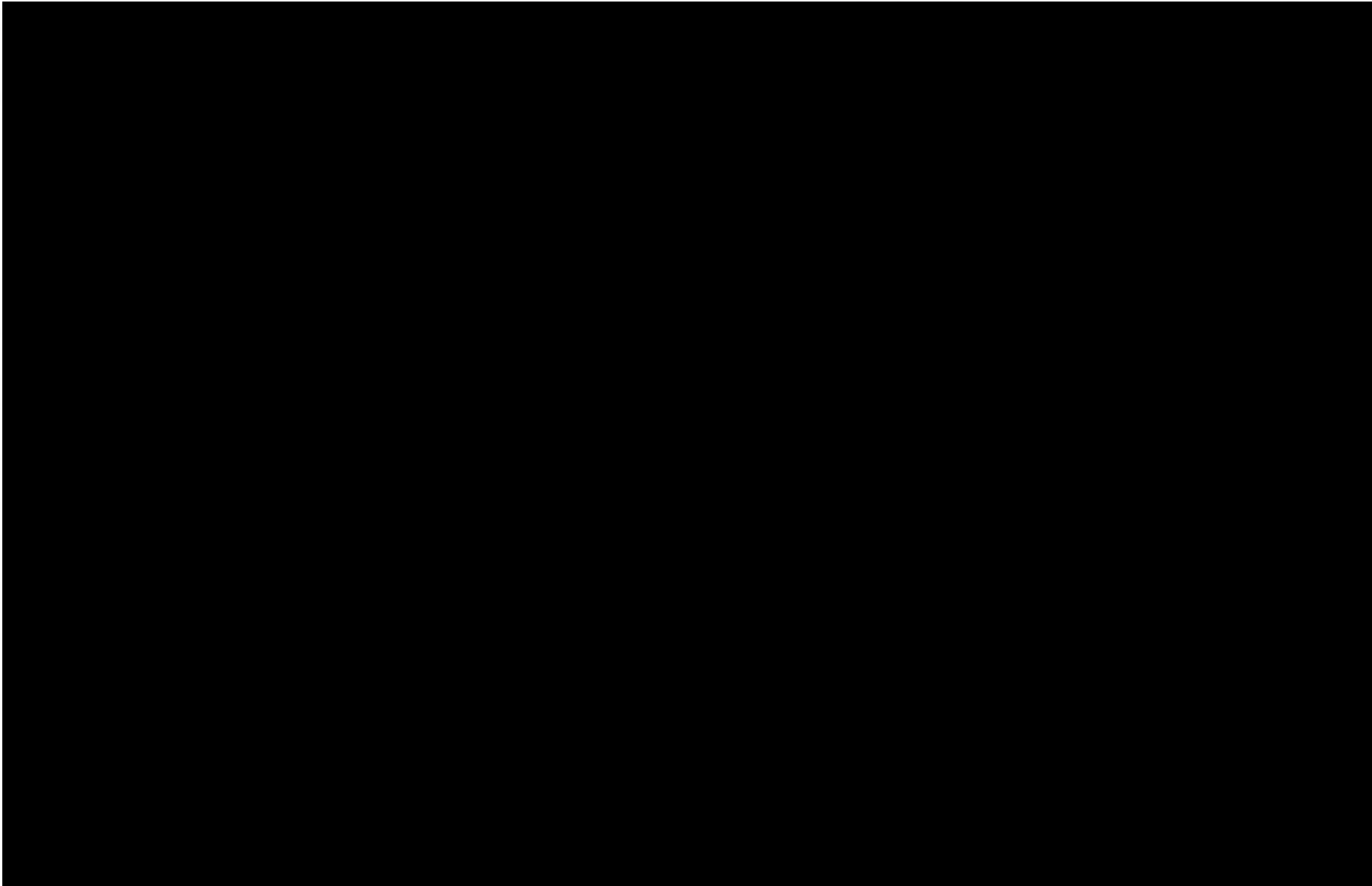












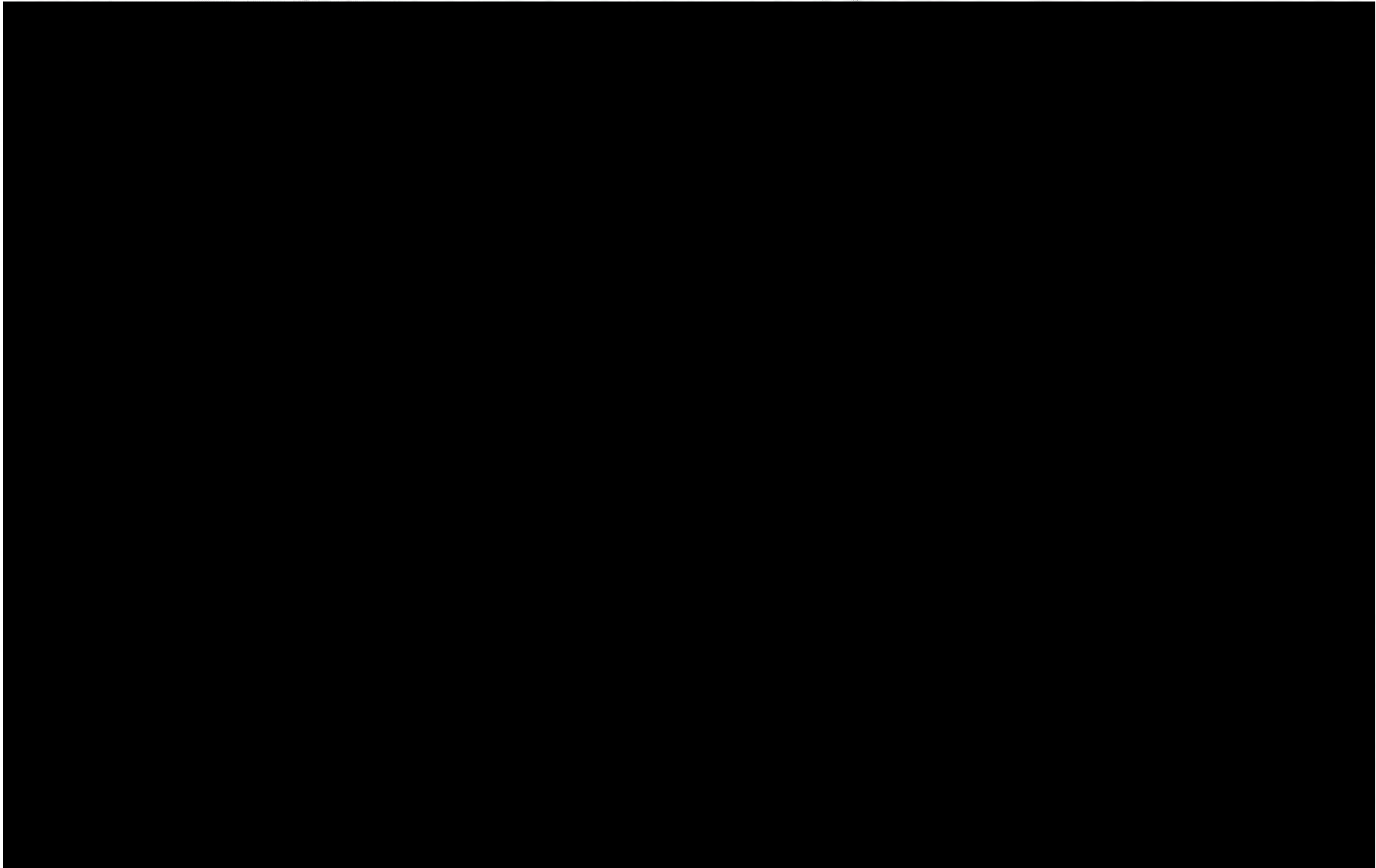
Prescription Supply, Inc. — Purchase Recap

Run Date: 10-26-17

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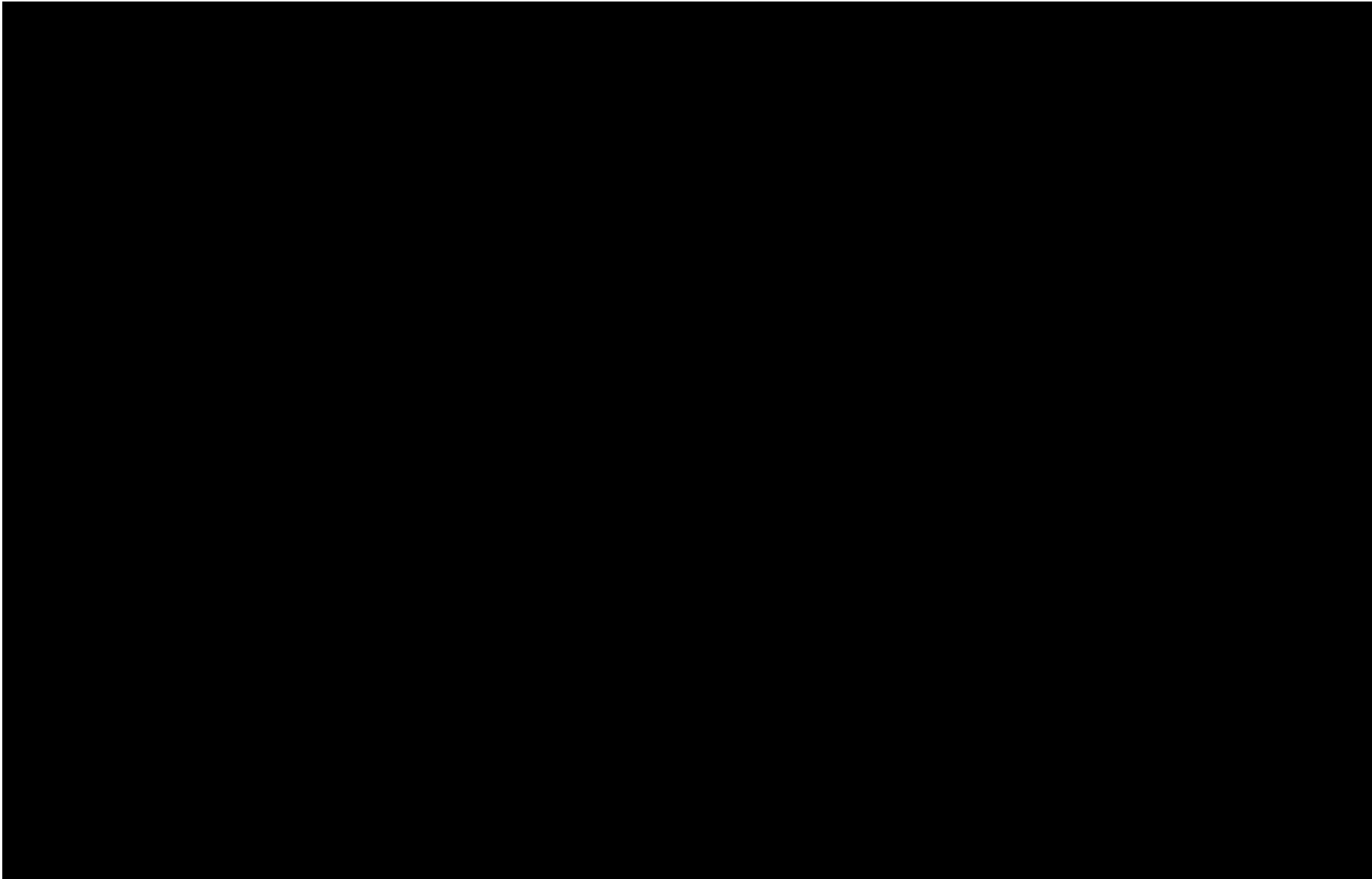
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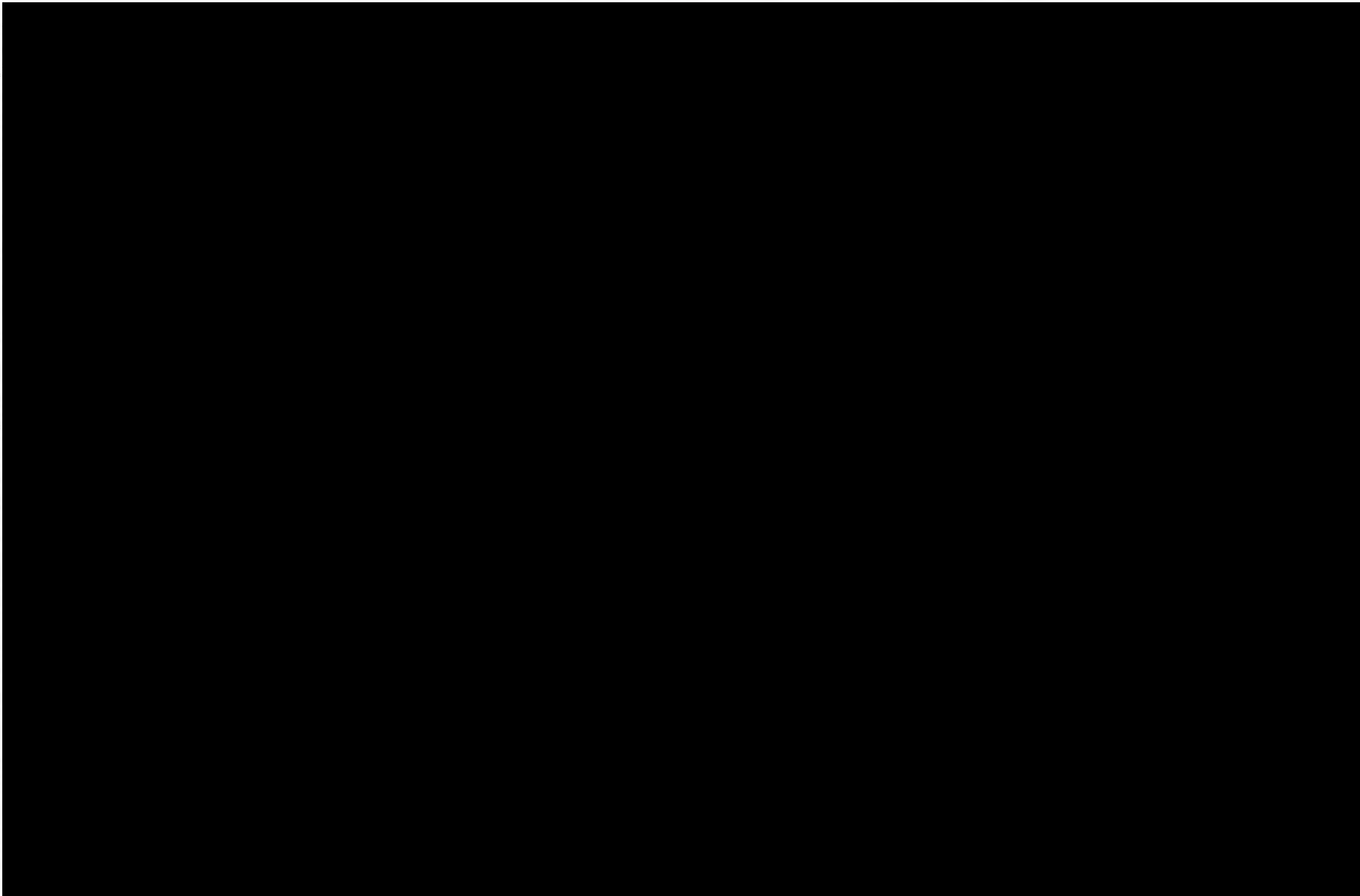


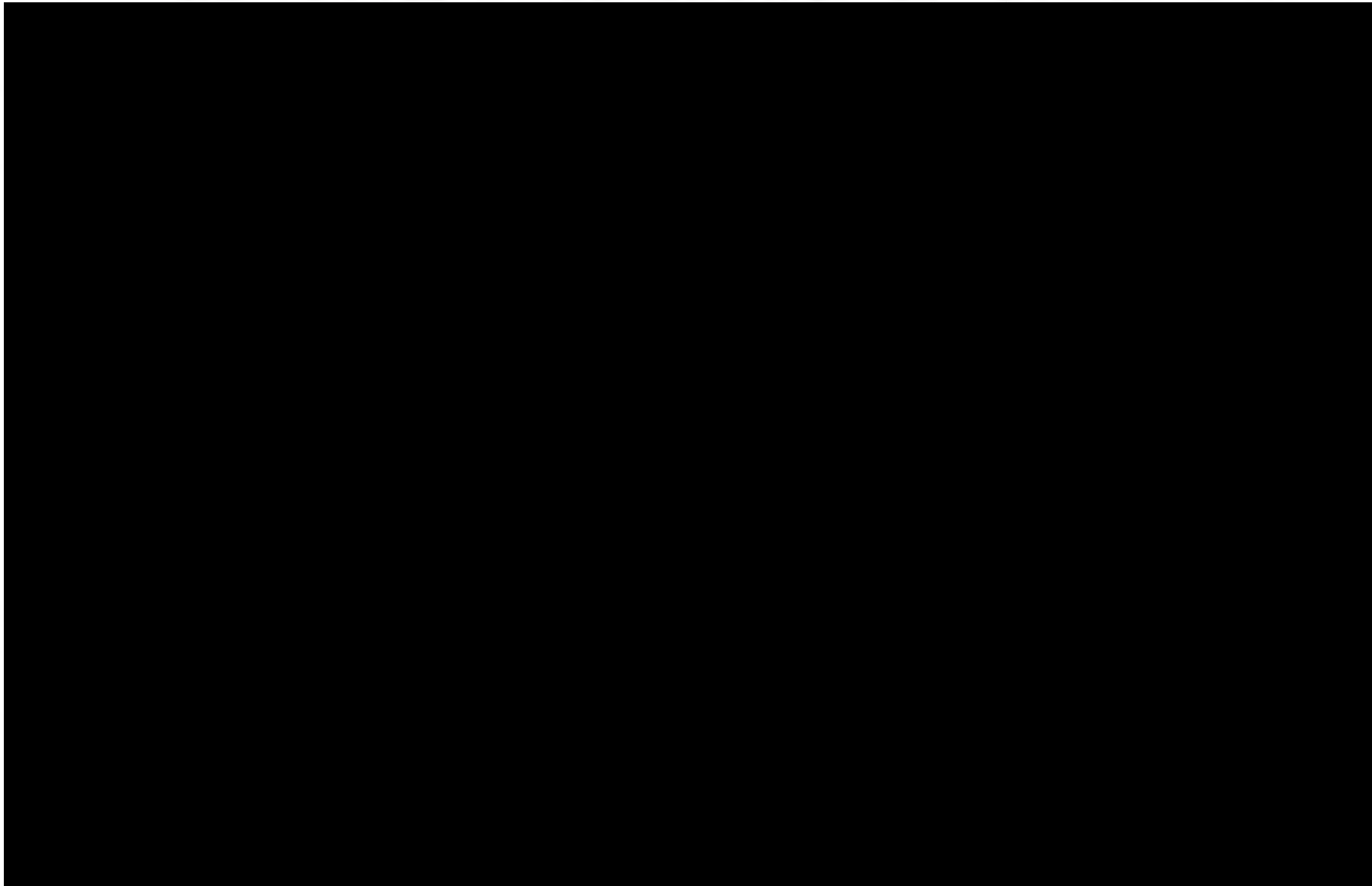
Prescription Supply, Inc. - Purchase Recap

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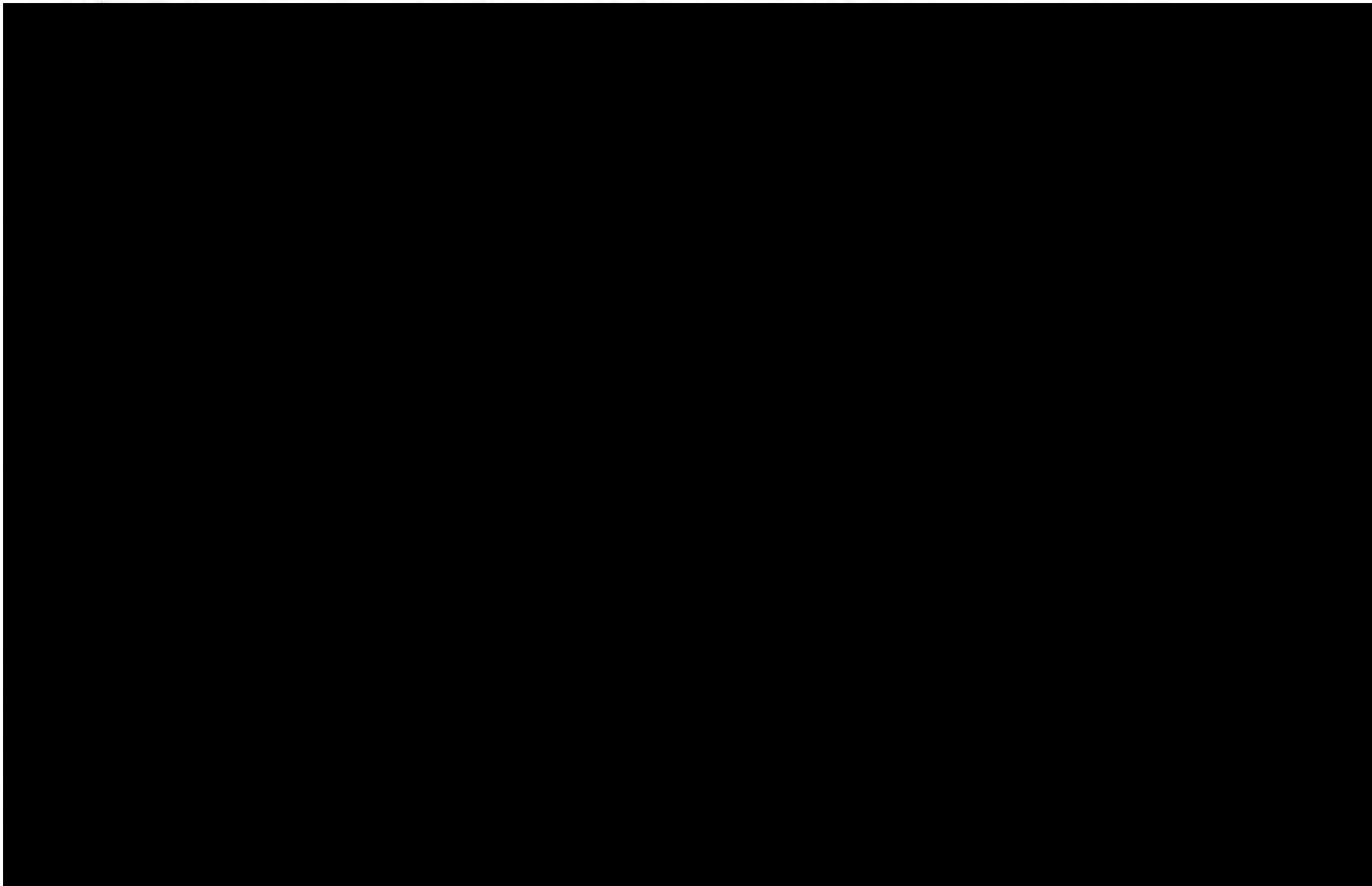


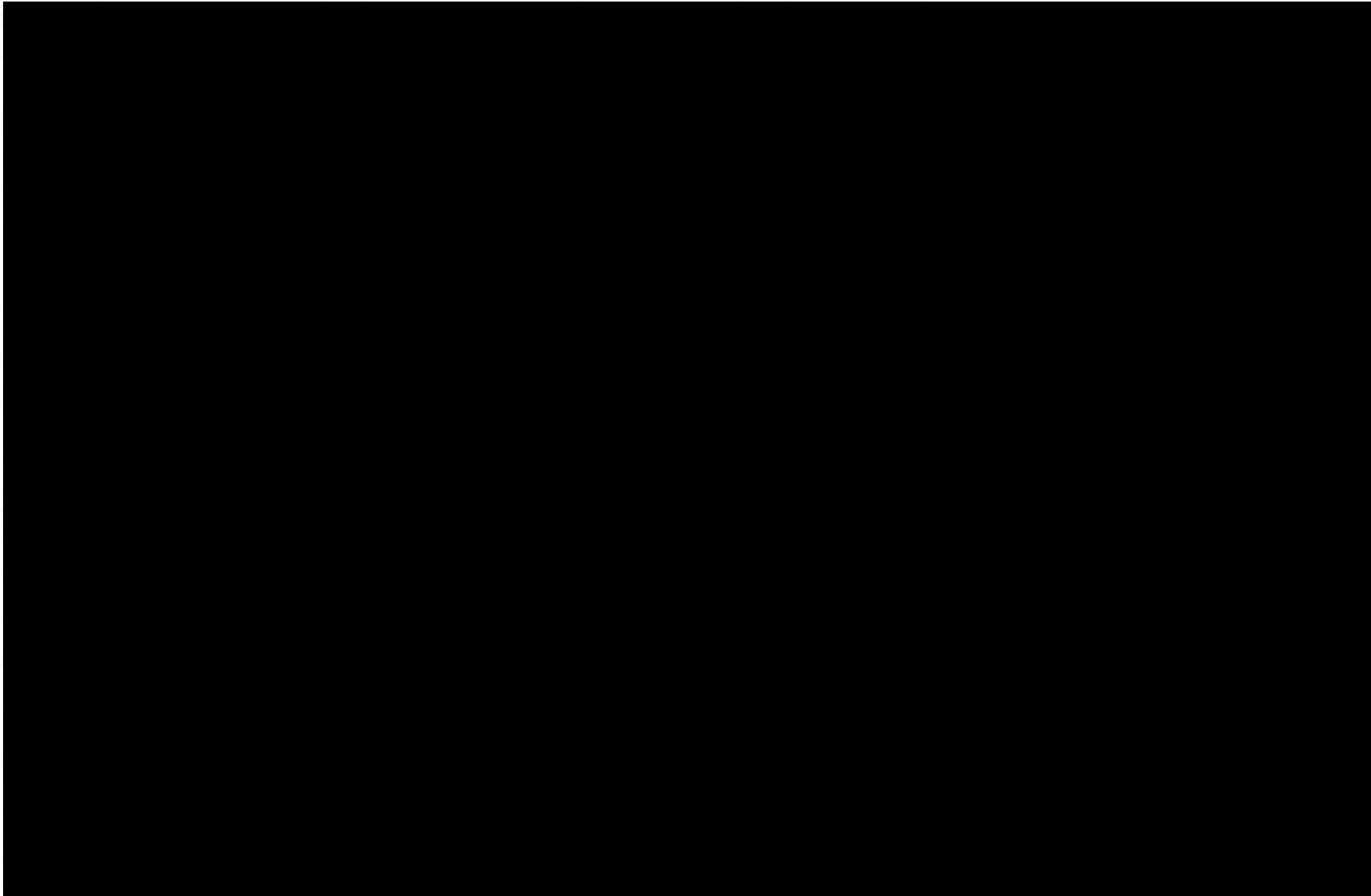


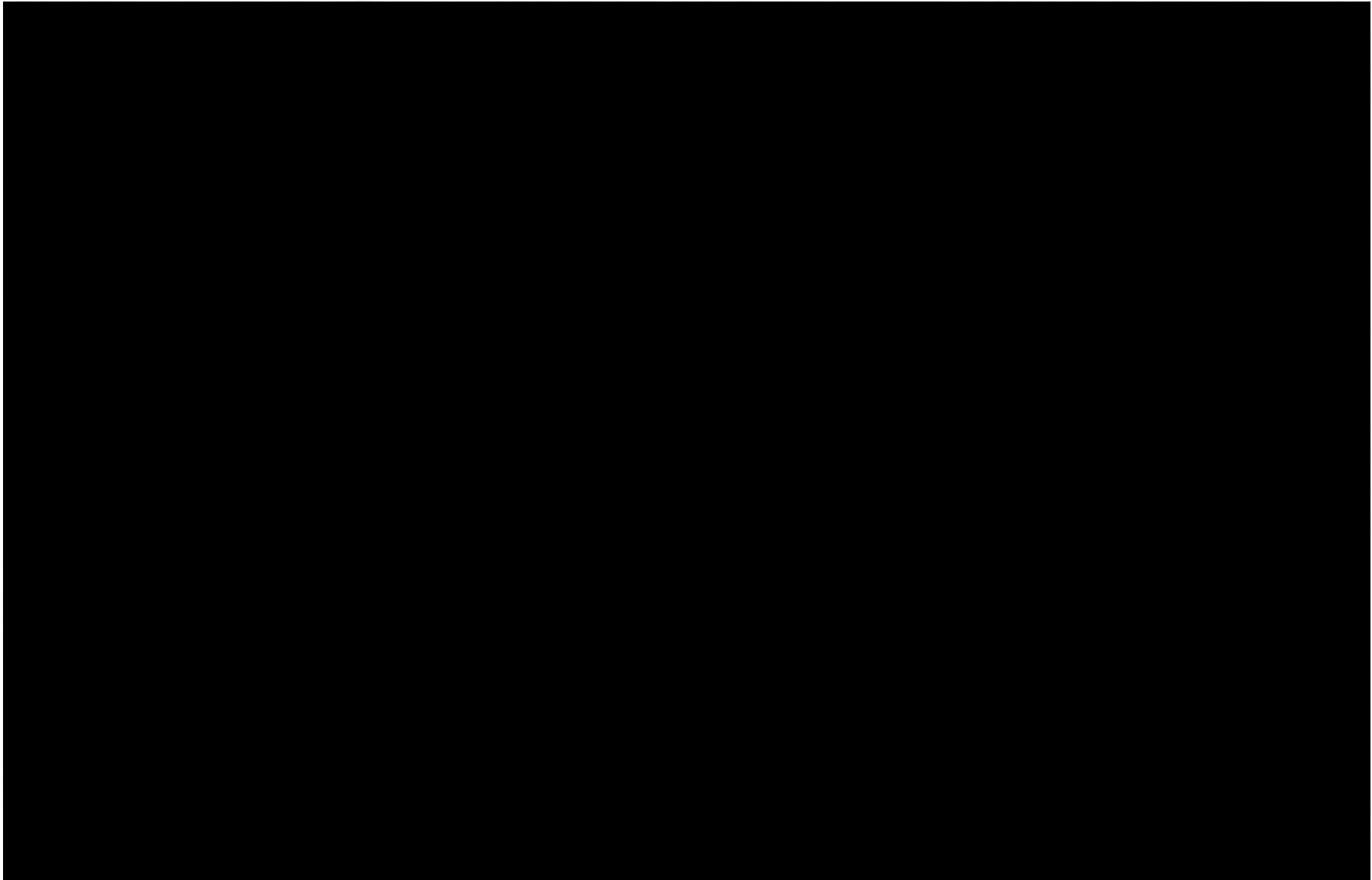


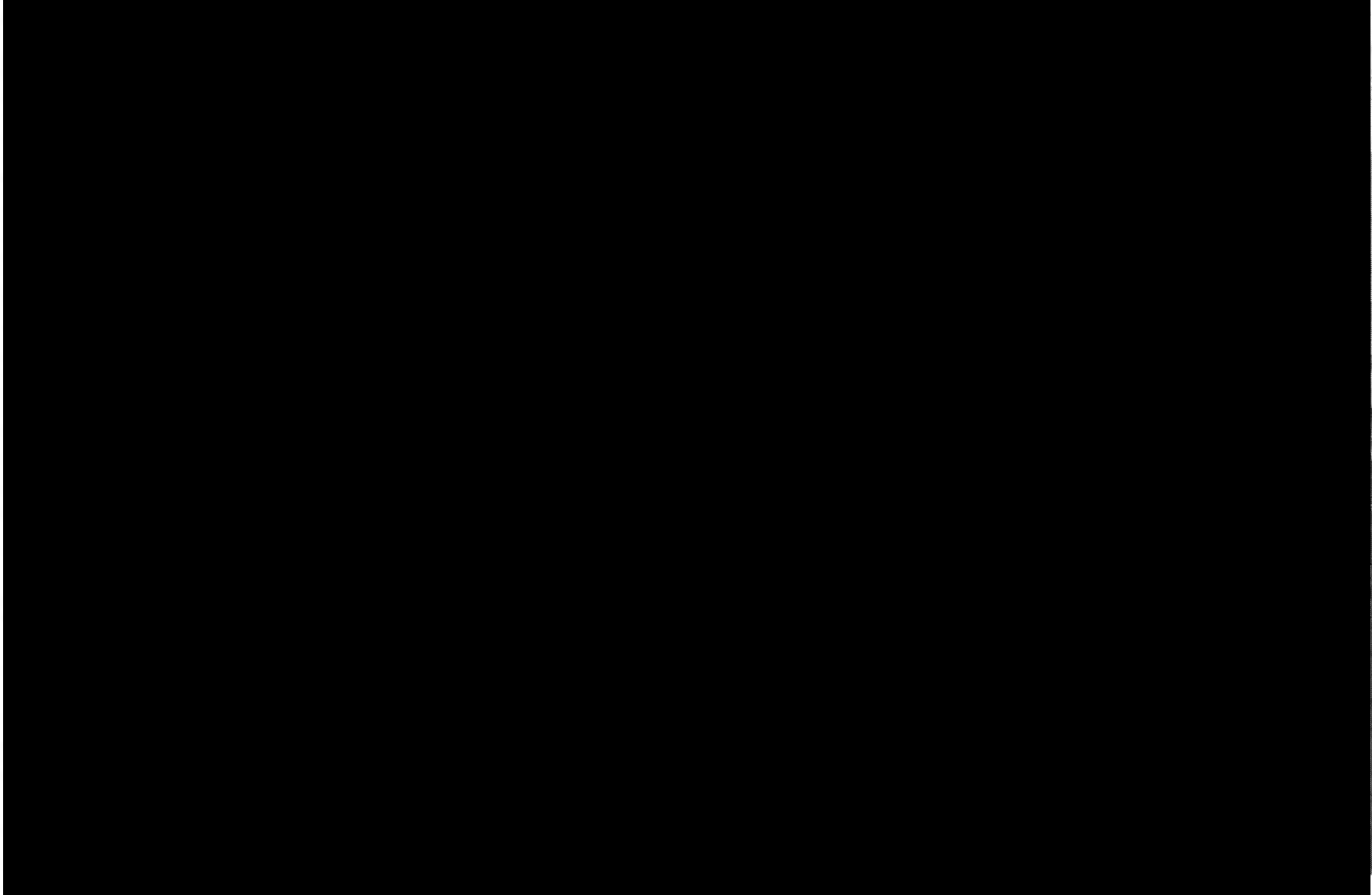


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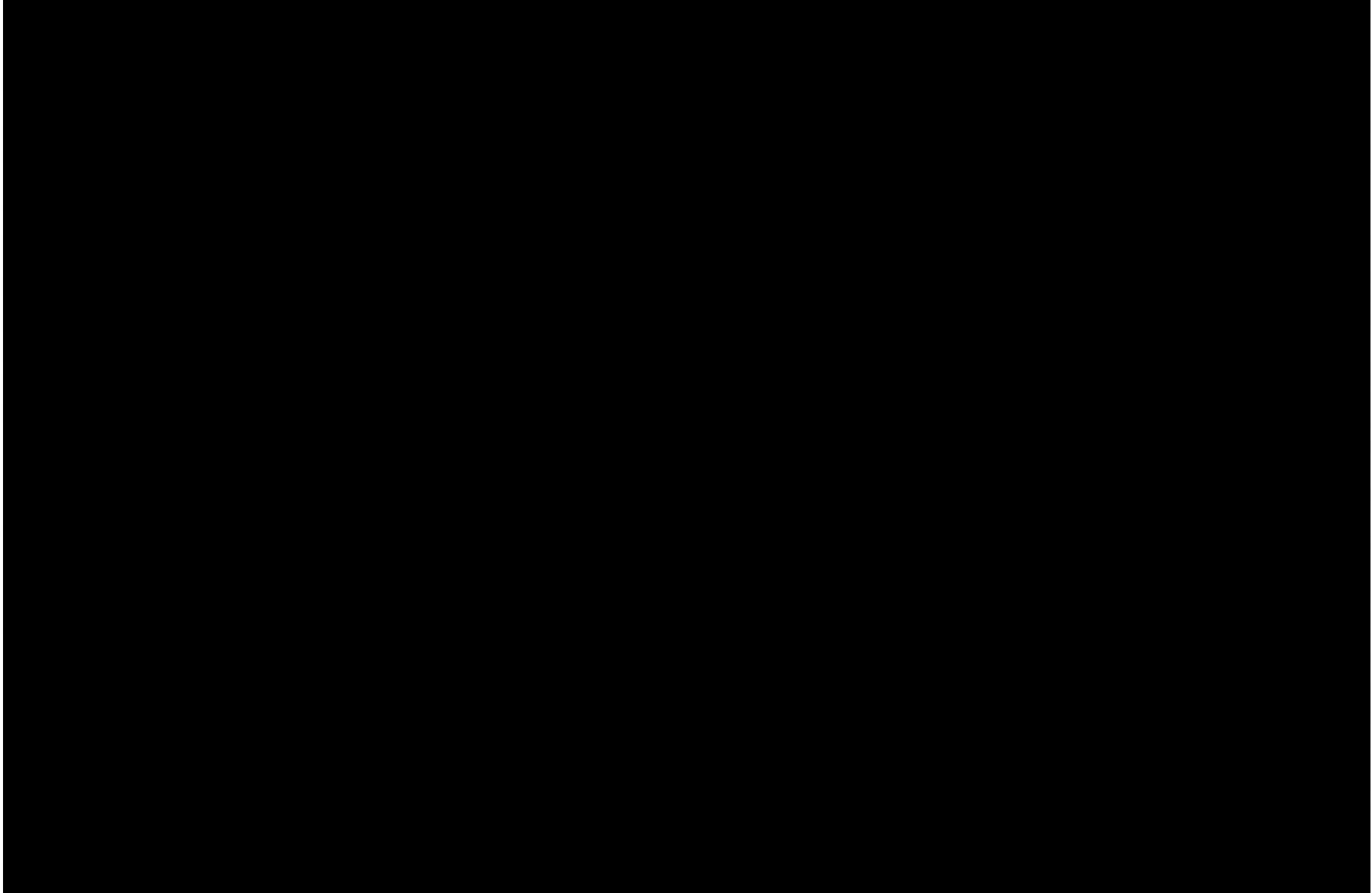
Prescription Supply, Inc. — Purchase Recap

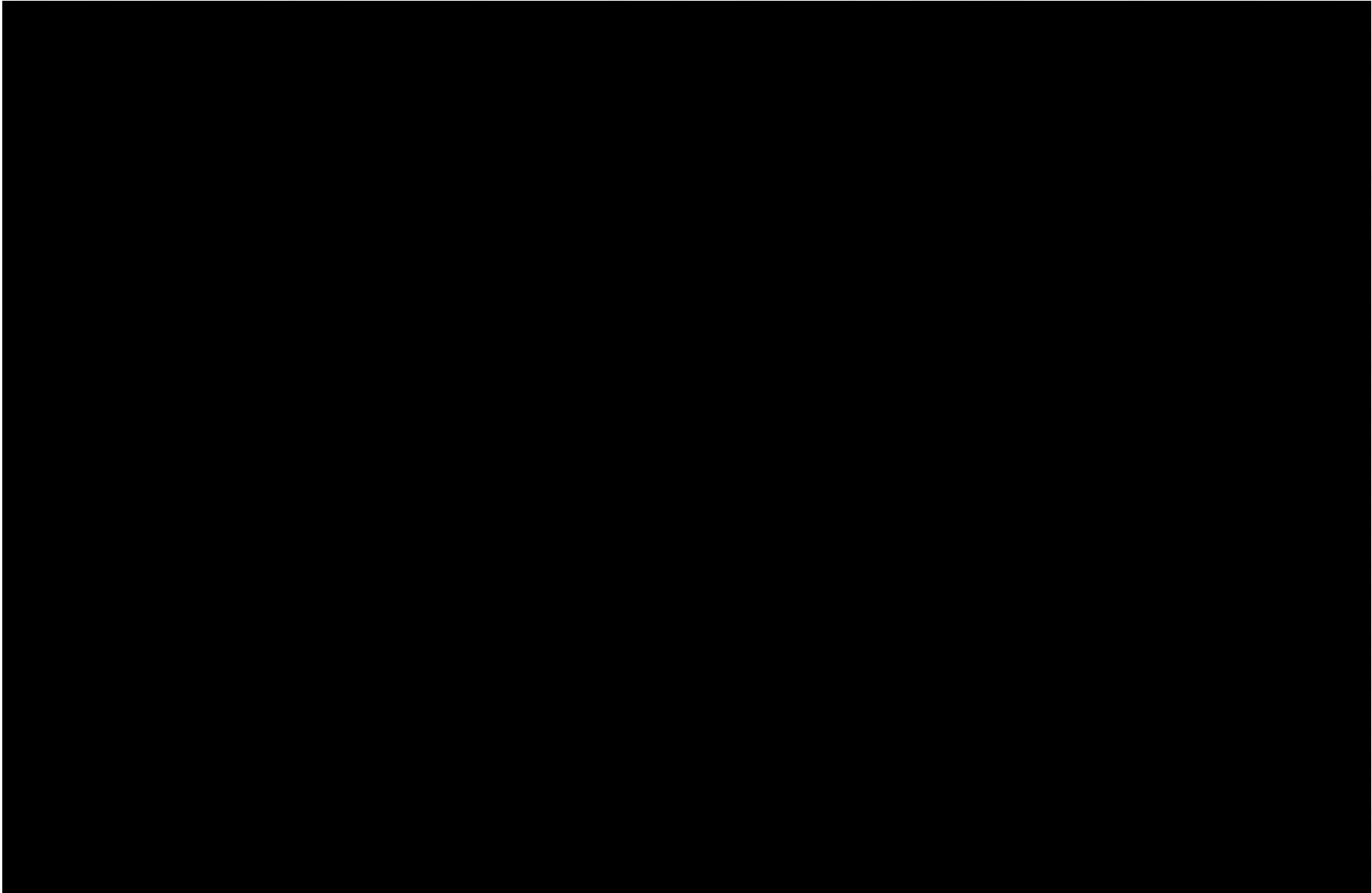
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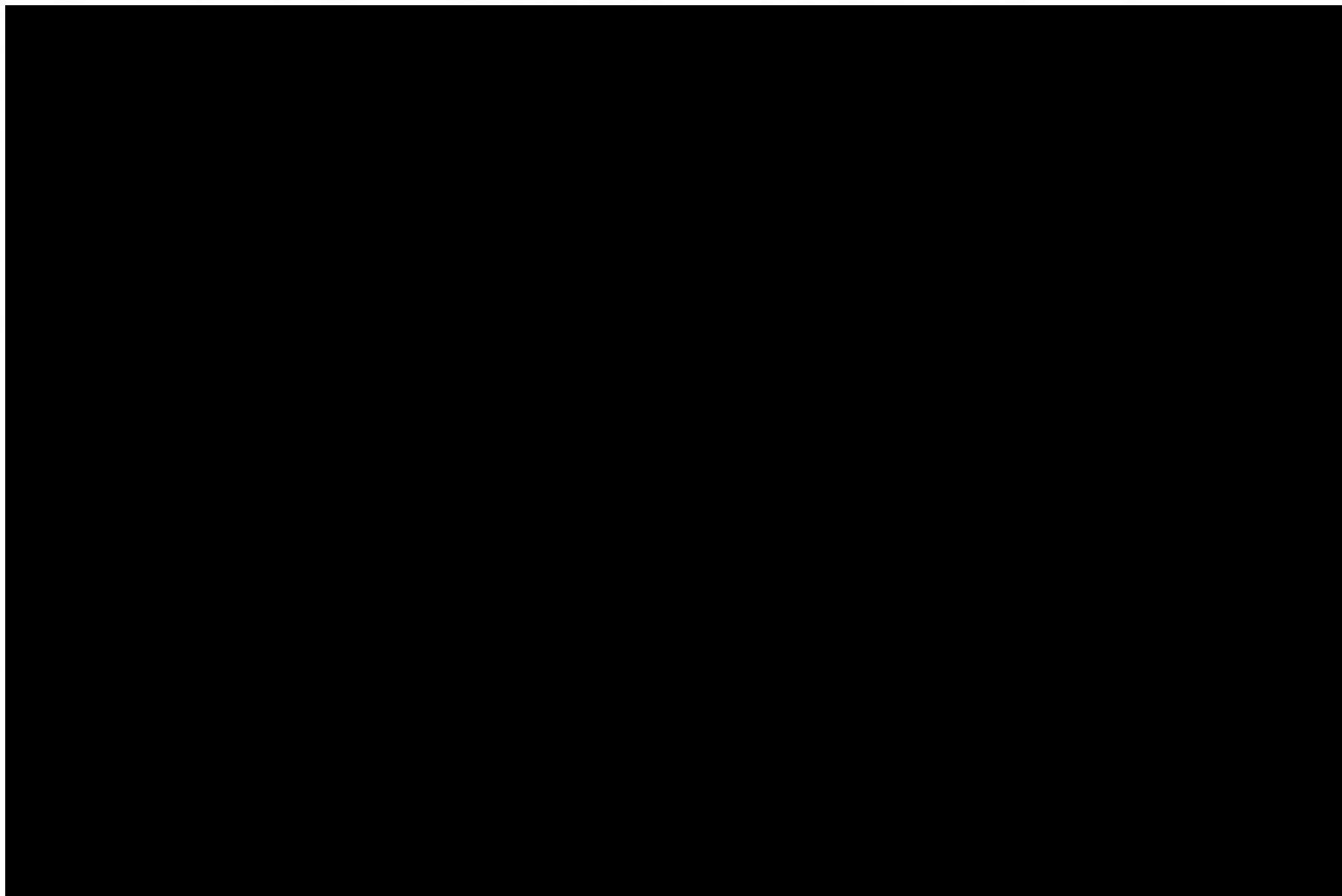


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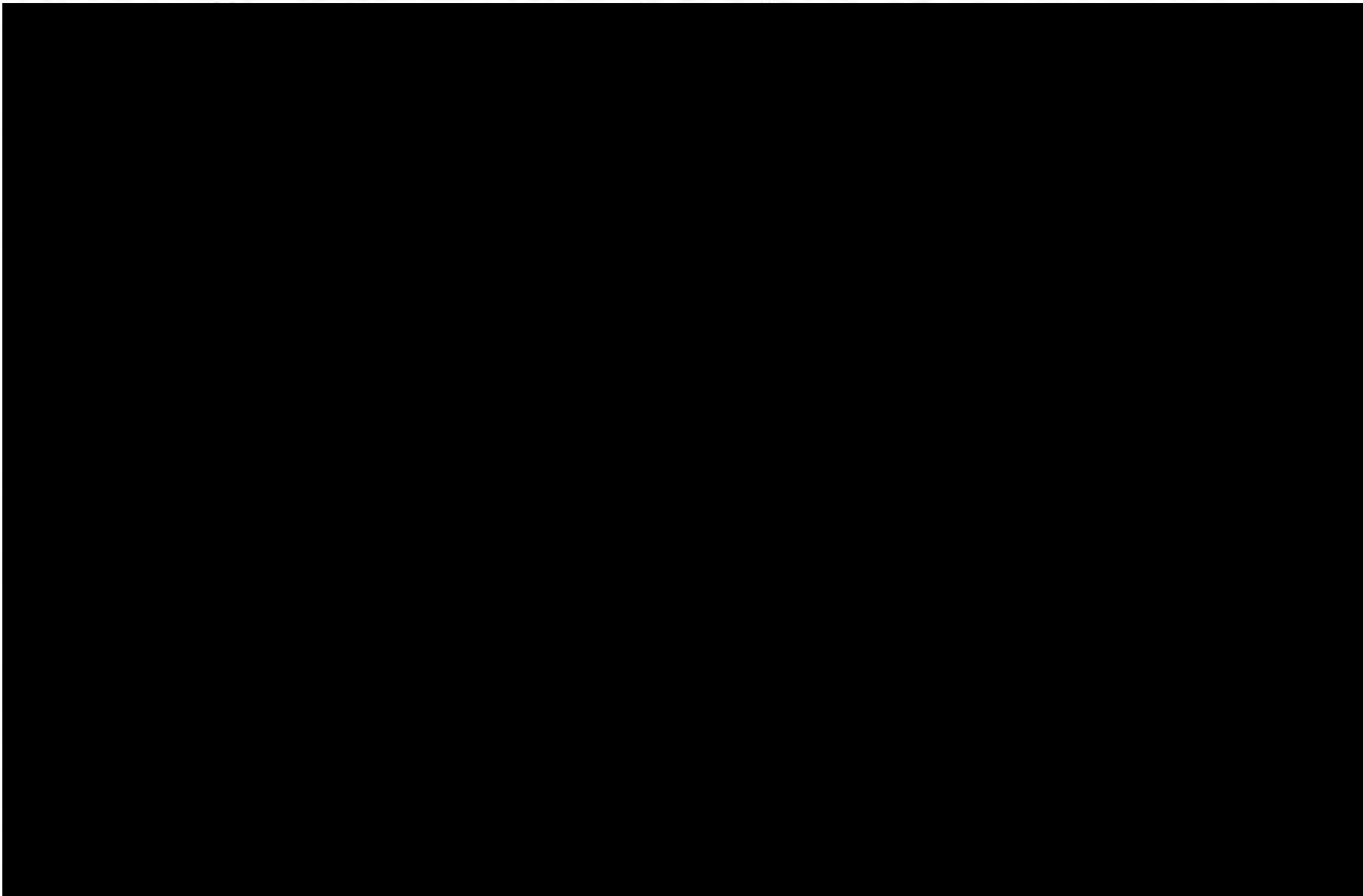




Prescription Supply, Inc. -- Purchase Recan

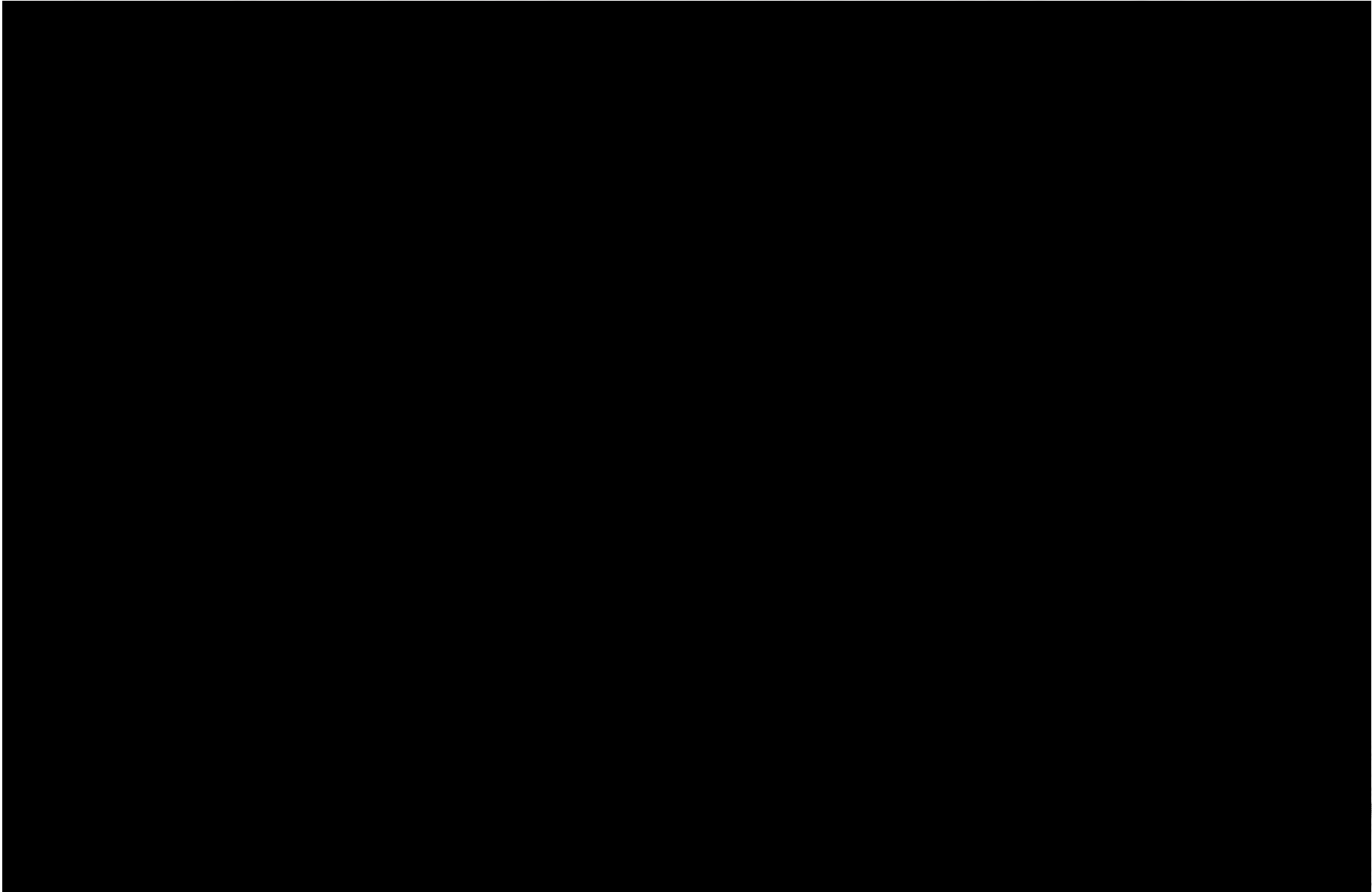
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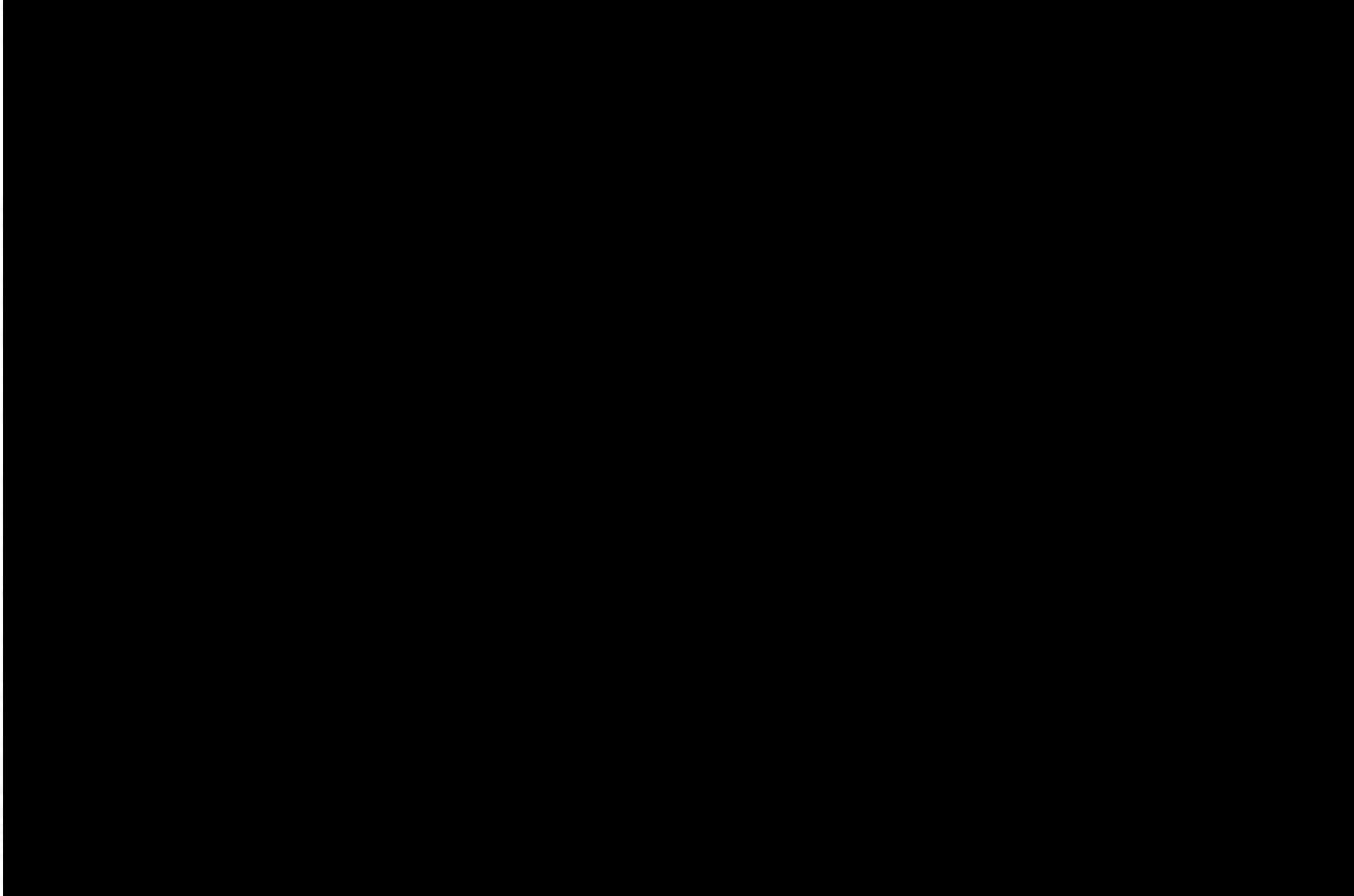
Prescription Supply, Inc. -- Purchase Recap

Run Date: 10-26-17

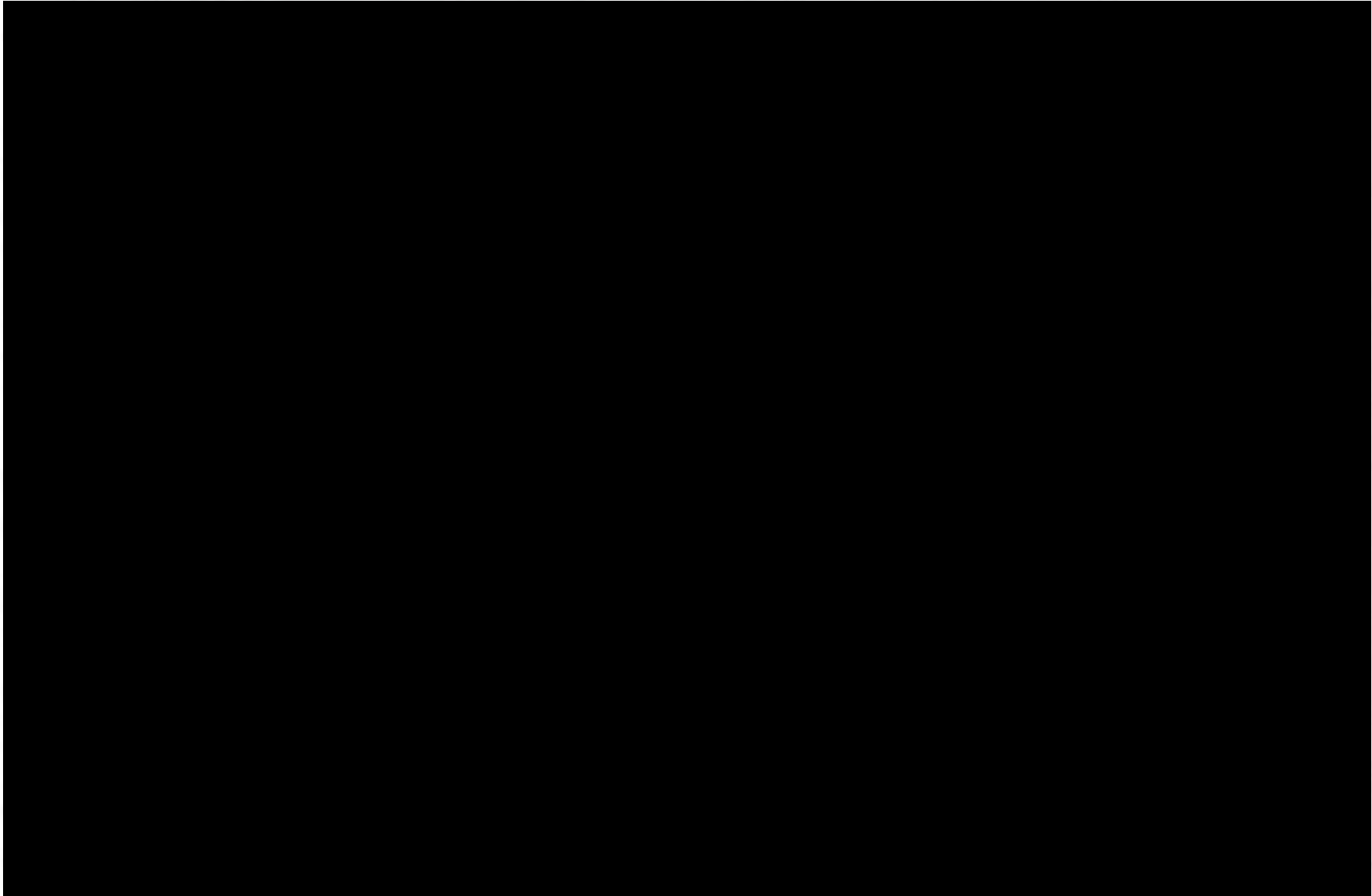
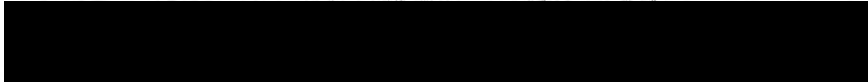


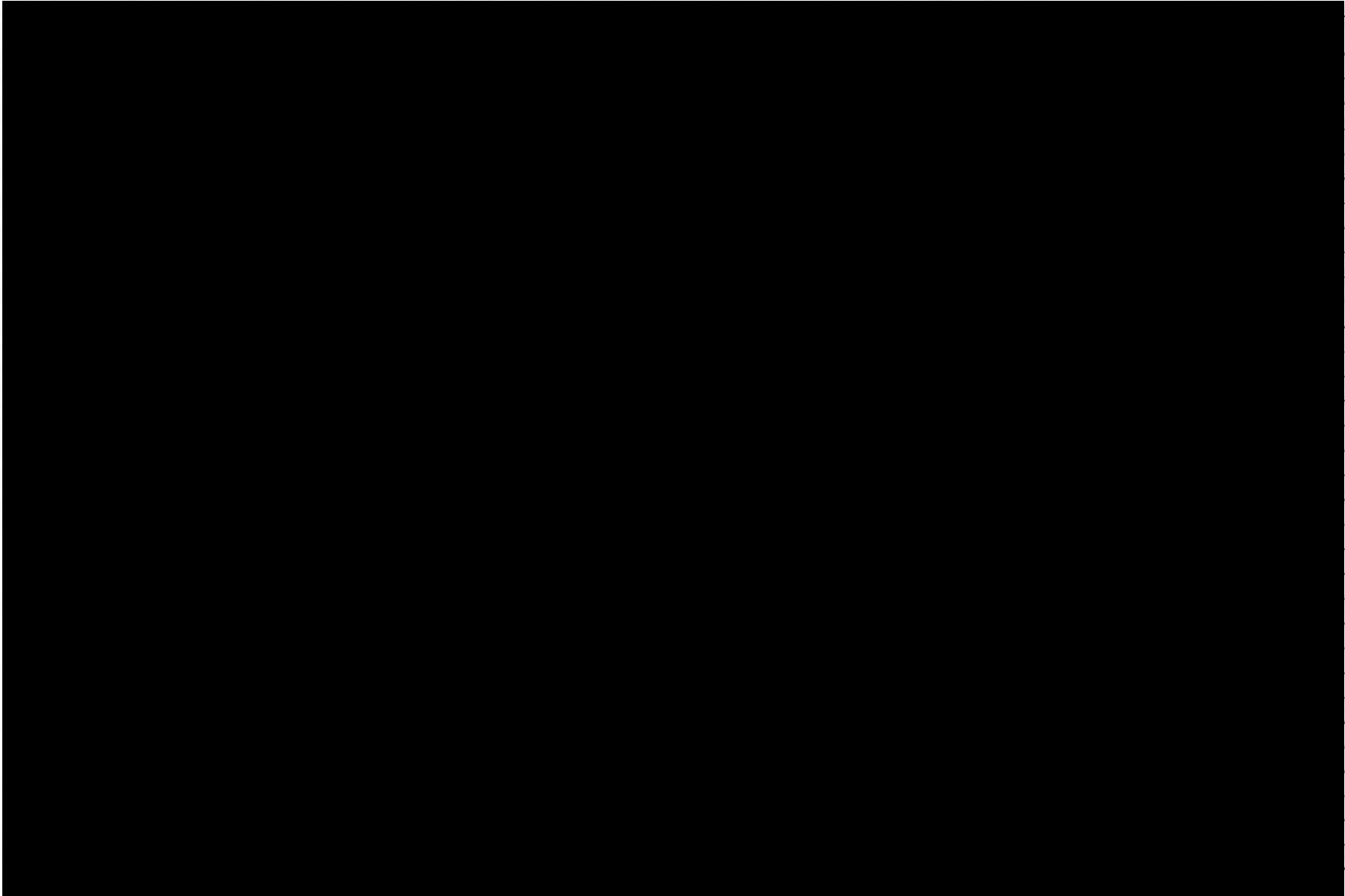
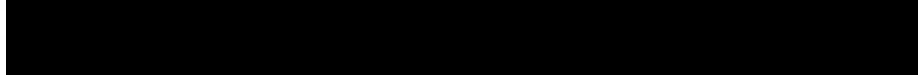
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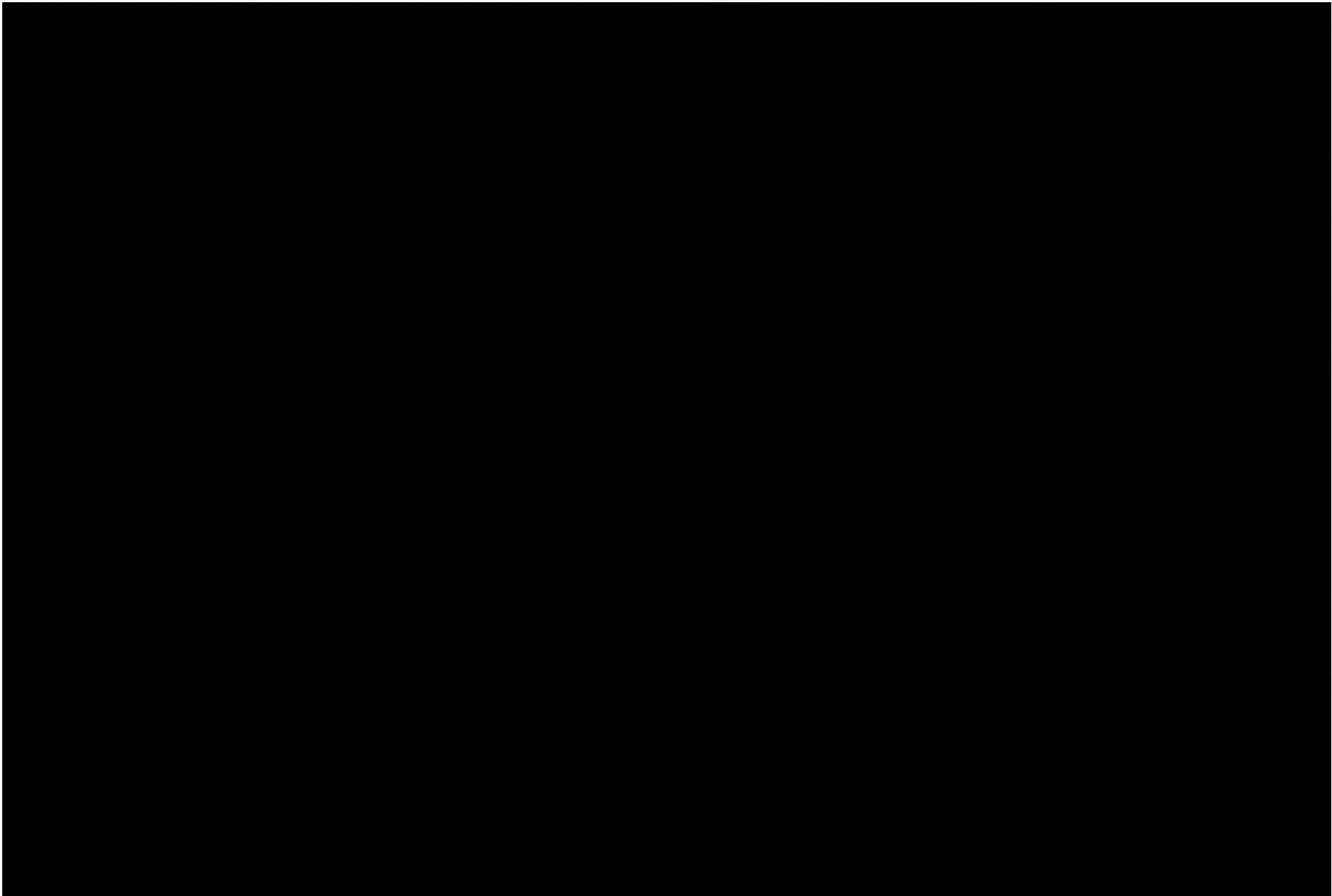


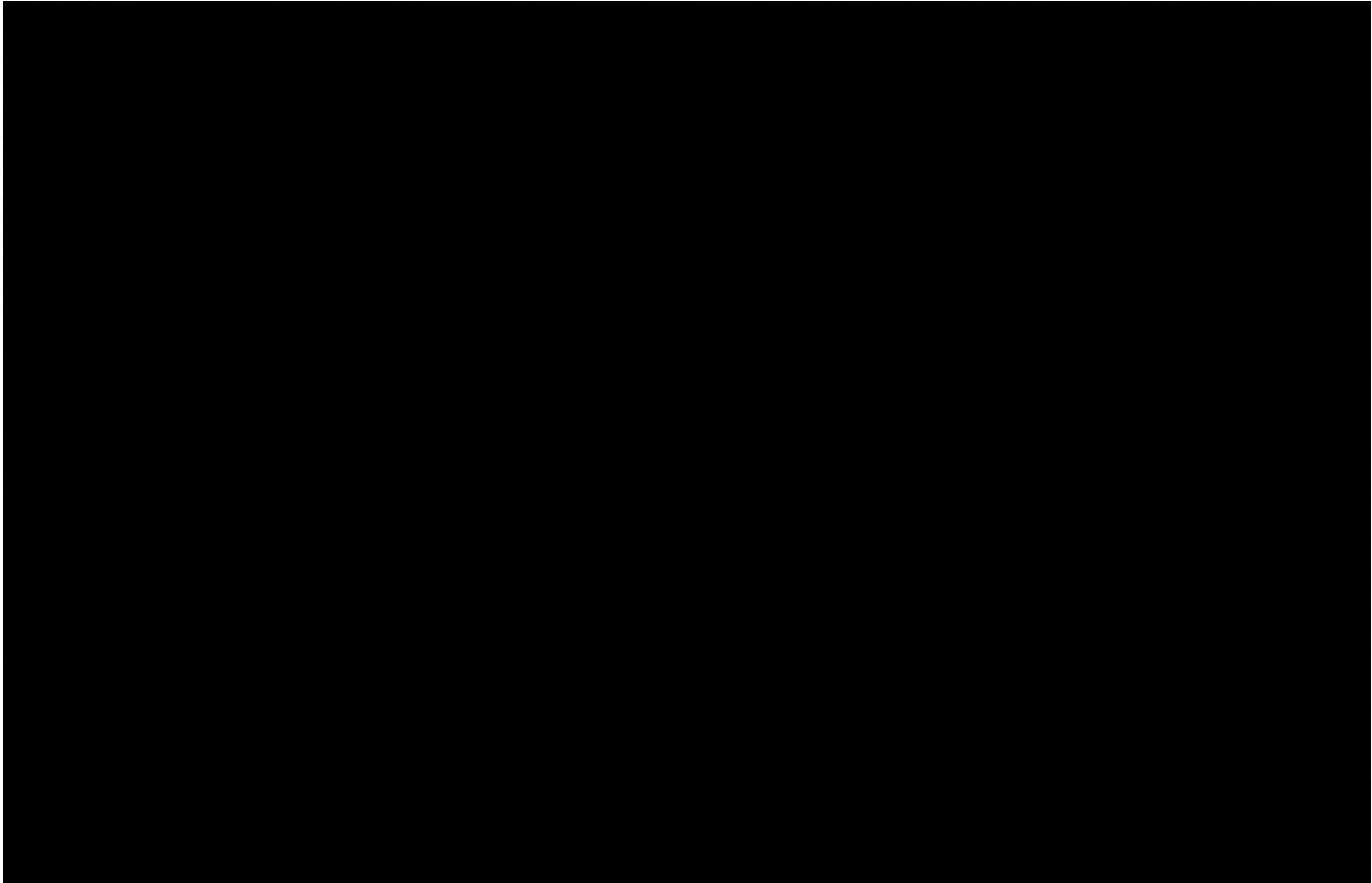


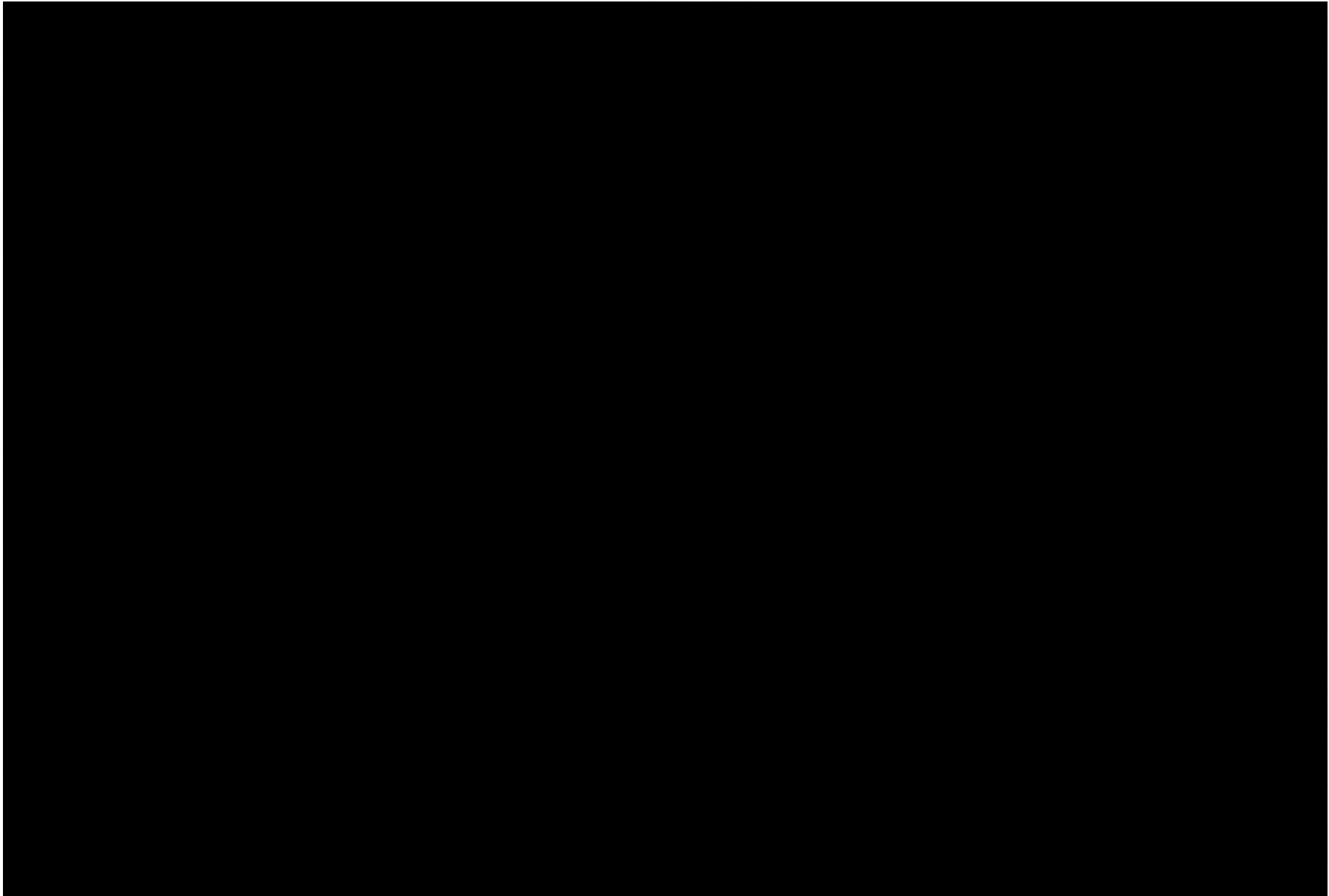




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Prescription Supply, Inc. — Purchase Recap

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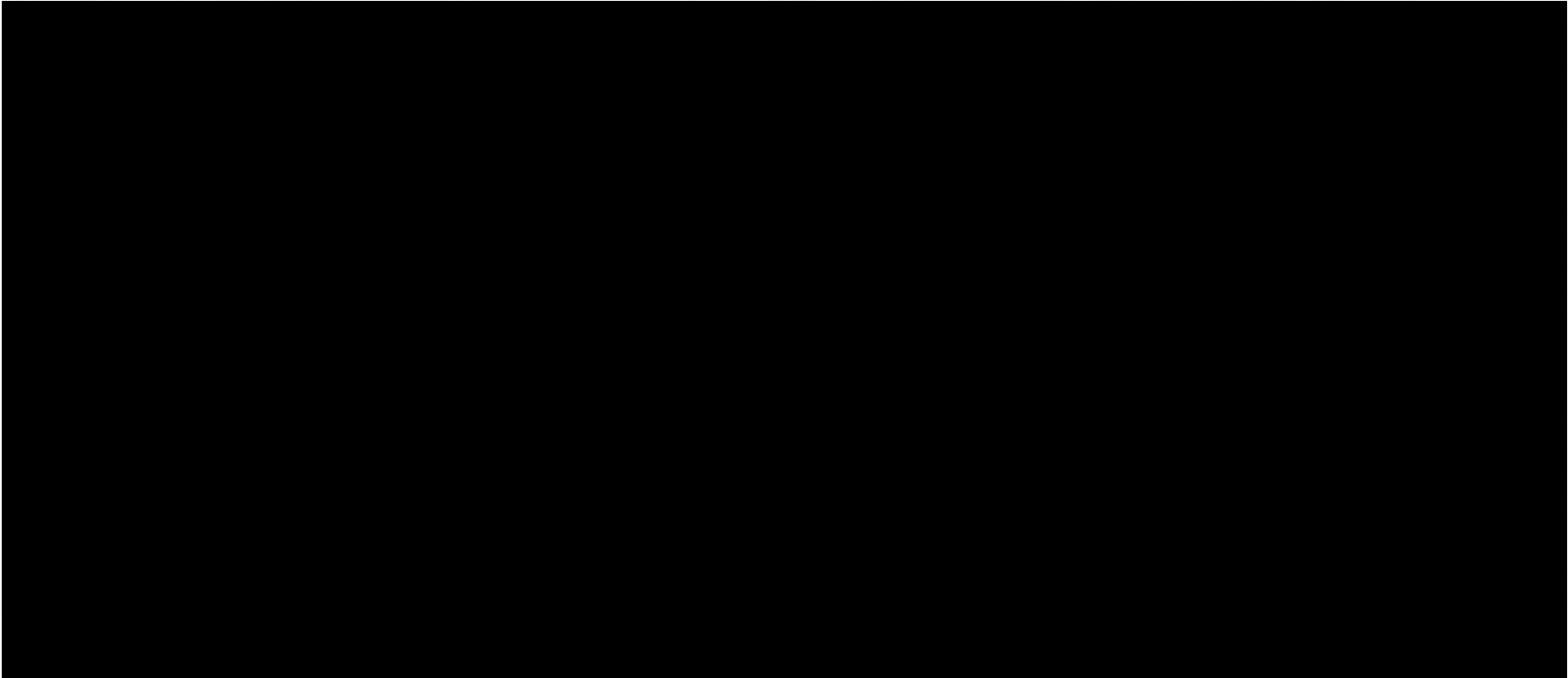
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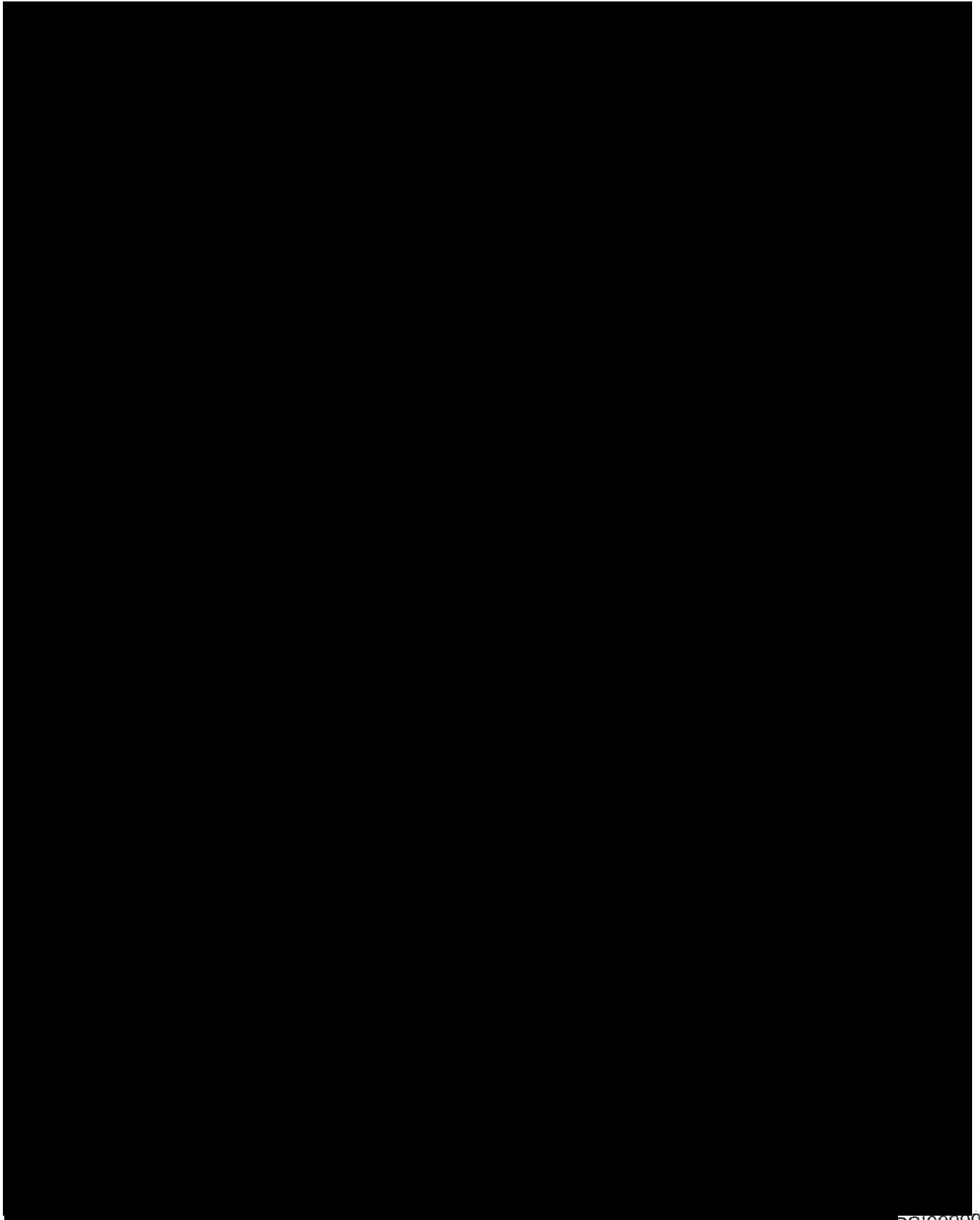
Prescription Supply, Inc. -- Purchase Recap

Run Date: 10-26-17



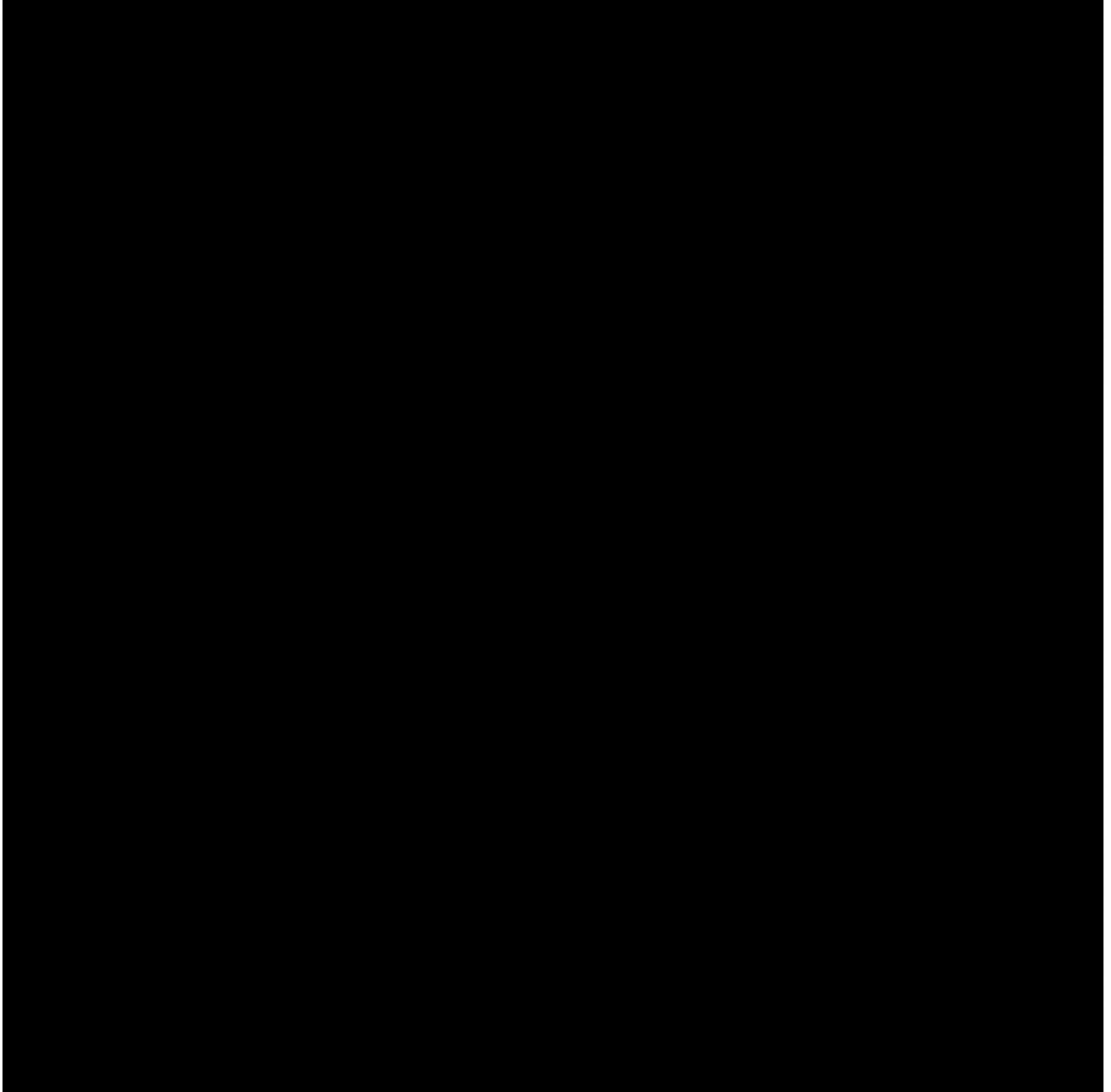
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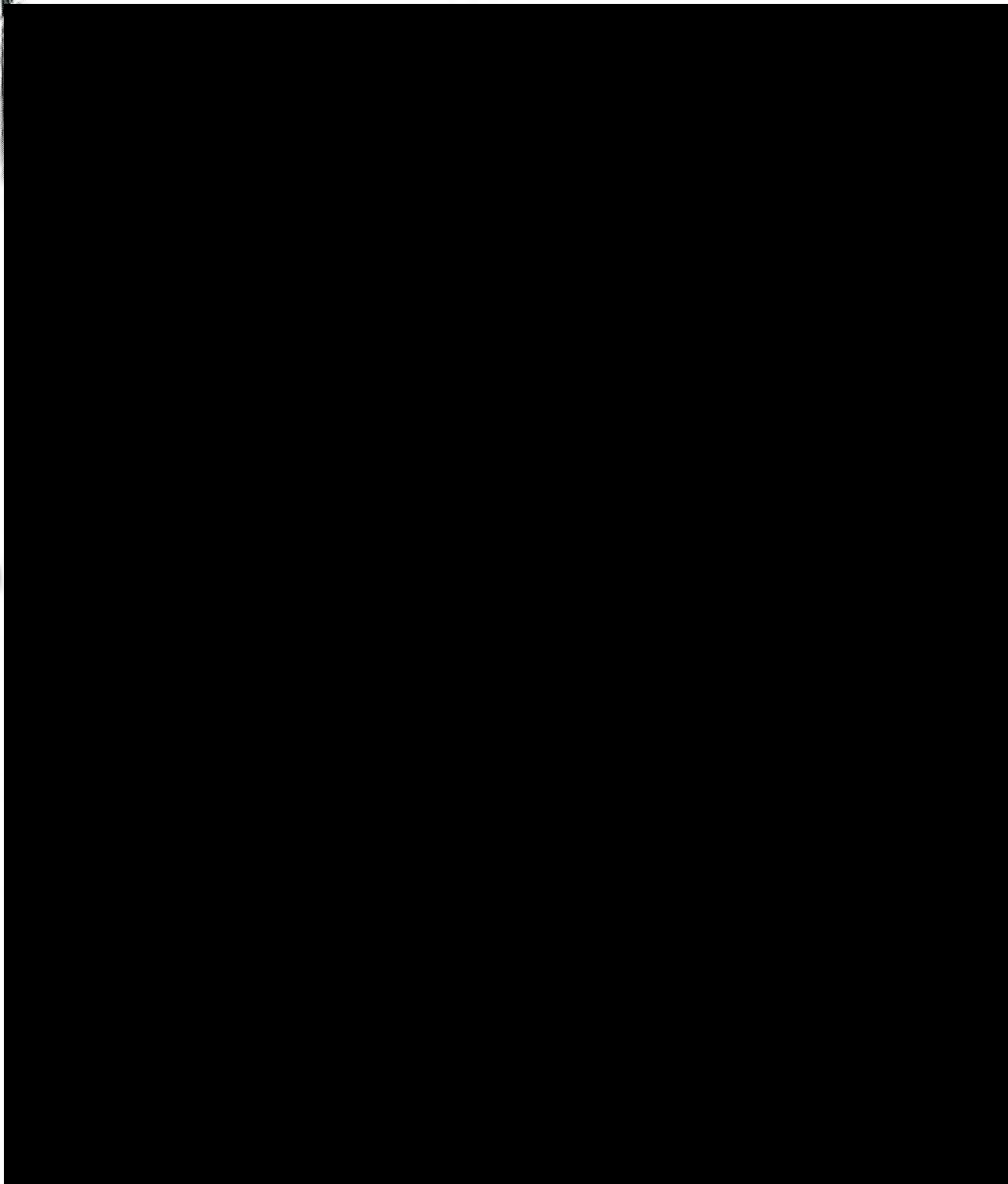




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Prescription Supply, Inc. - Purchase Recap

Run Date: 10-20-17



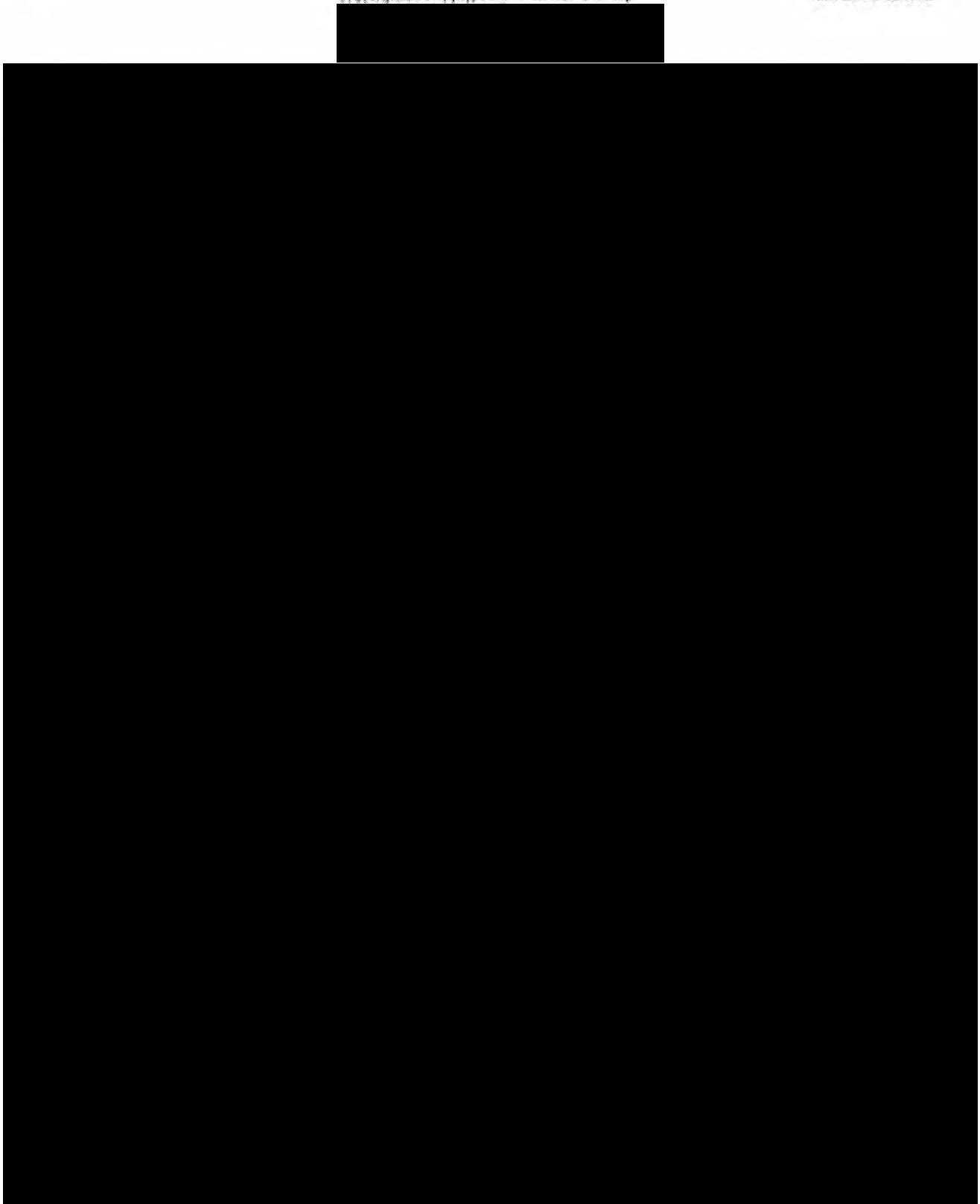
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Prescription Supply, Inc. — Purchase Recap

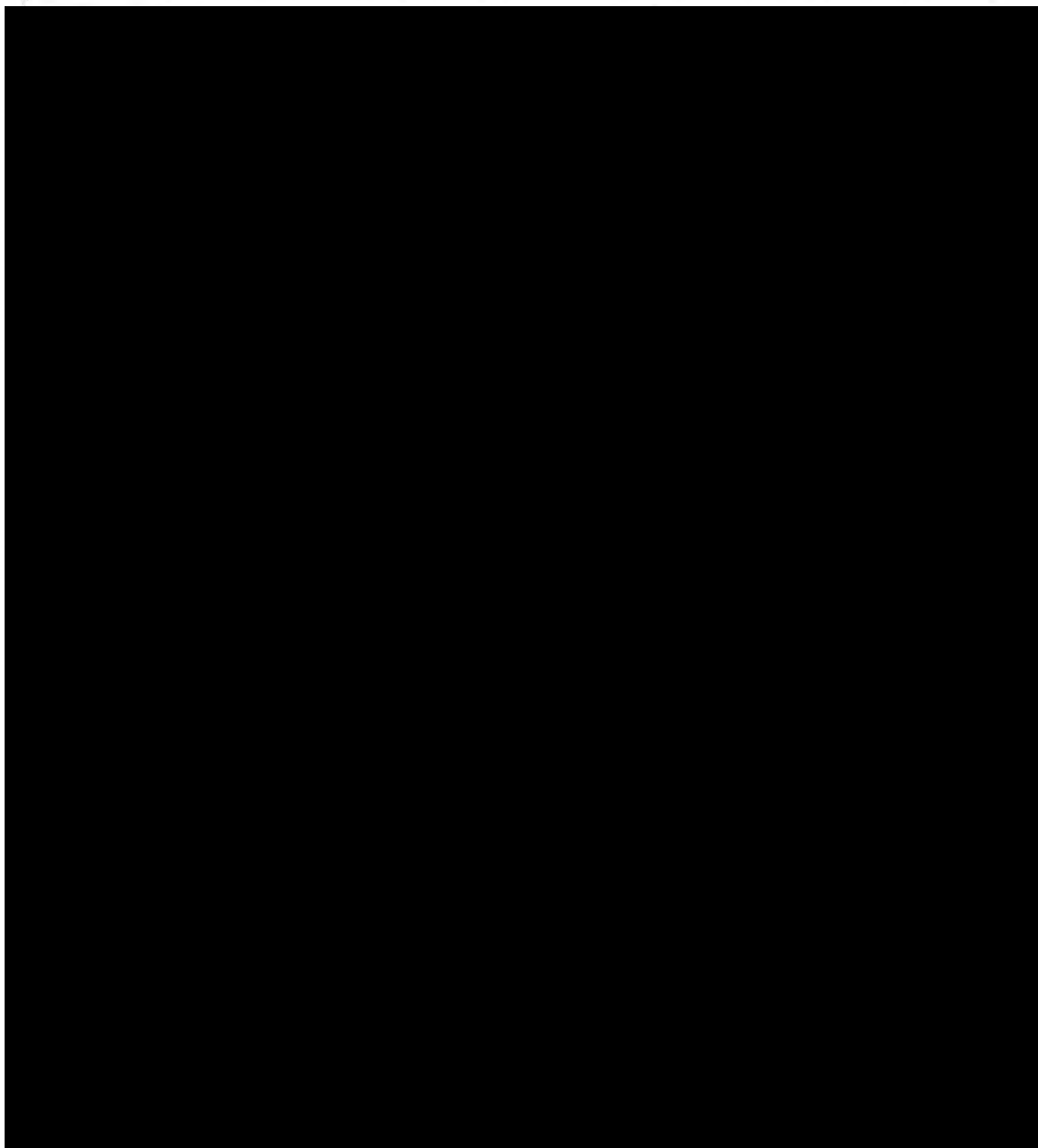
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PSI0000070

Prescription Supply, Inc. - Purchase Recap

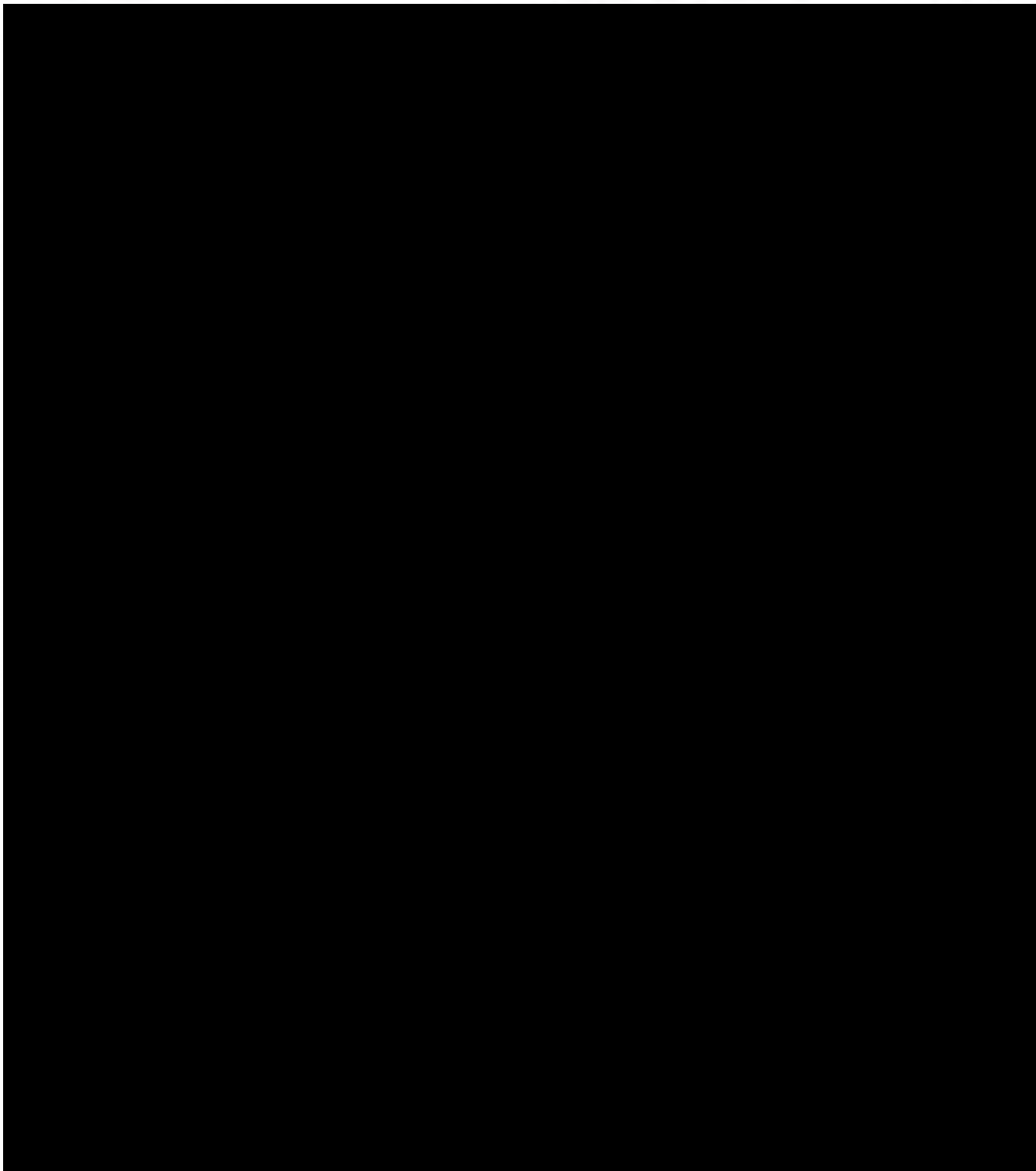
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Prescription Supply, Inc. - Purchase Reccs

Run Date: 10-20-17

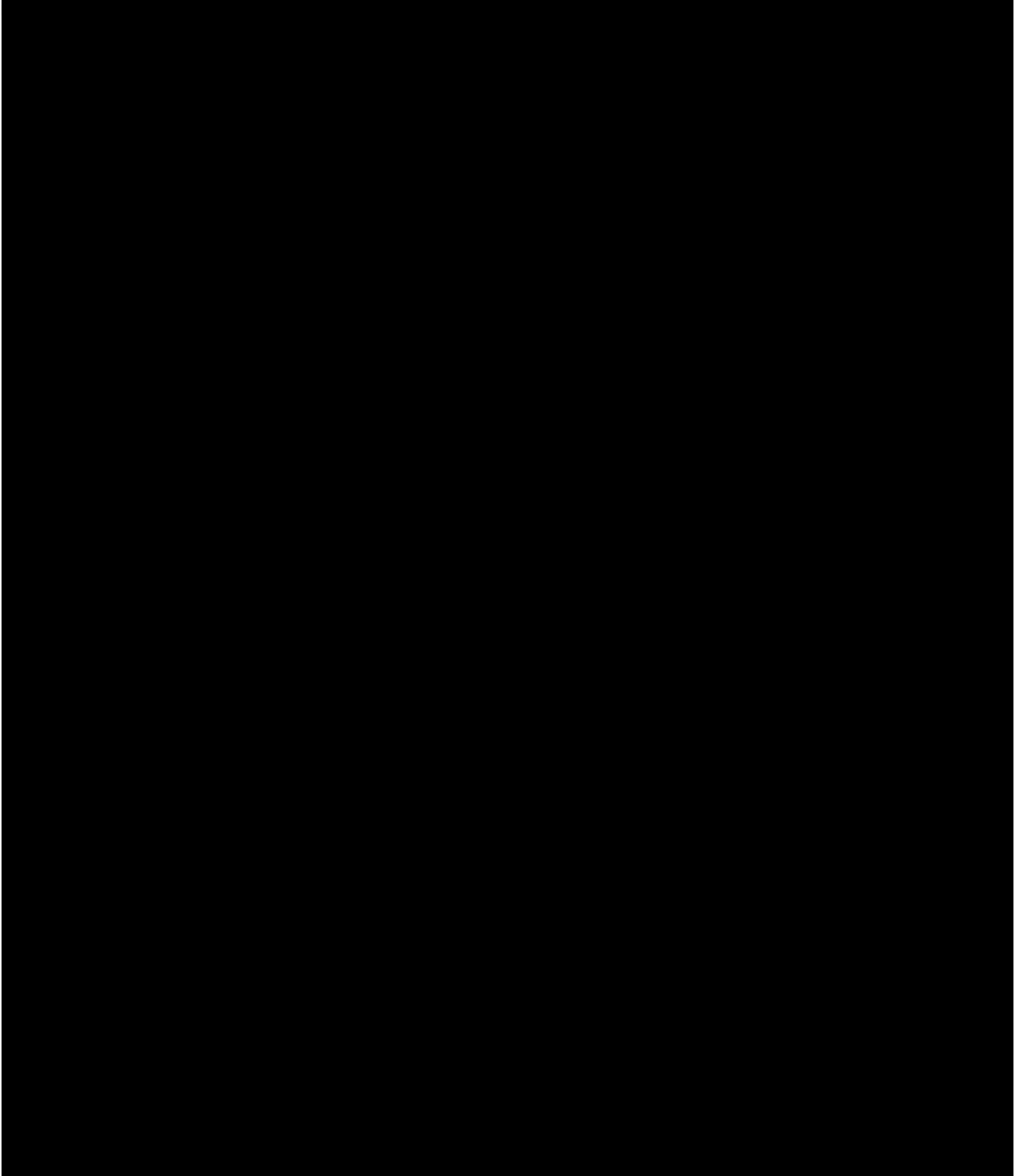


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Prescription Supply, Inc. -- Purchase Record

Run Date: 10-20-17

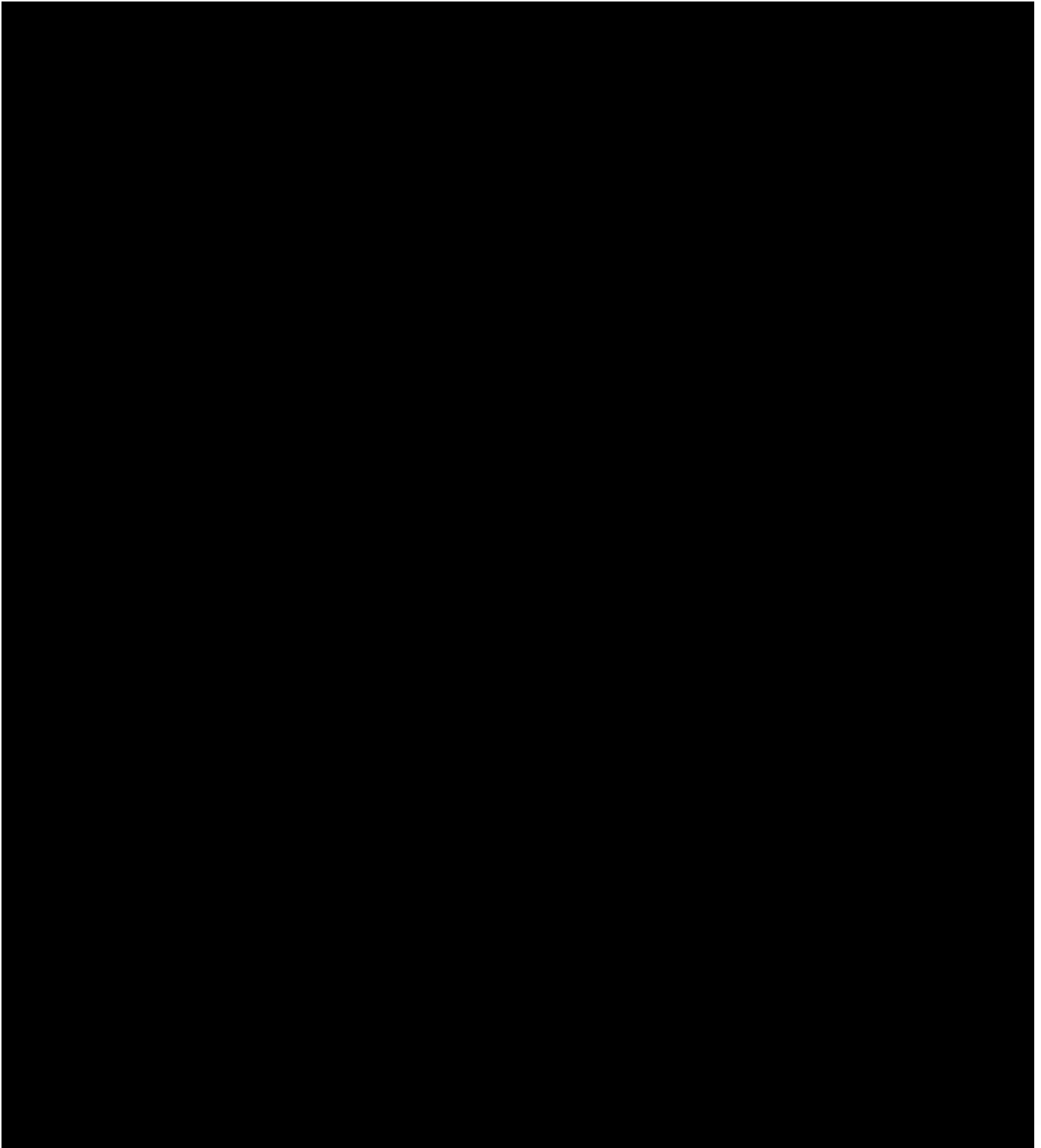


PSI0000073



Prescription Supply, Inc. -- Purchase Recap

Run Date: 10-20-17



U.S. DEPARTMENT OF JUSTICE  
DRUG ENFORCEMENT ADMINISTRATIONNOTICE OF INSPECTION  
OF CONTROLLED PREMISES

DEA USE ONLY
FILE NUMBER

NAME OF INDIVIDUAL <u>James Schoen</u>	TITLE <u>Controlled Substance Mgr.</u>
NAME OF CONTROLLED PREMISES <u>Prescription Supply Inc.</u>	[REDACTED]
NUMBER AND STREET <u>2733 Tracy Road</u>	DATE <u>7/24/02</u>
CITY AND STATE <u>Northwood, Ohio</u>	ZIP CODE <u>43619</u>
	TIME (initial inspection)

## STATEMENT OF RIGHTS

1. You have a constitutional right not to have an administrative inspection made without an administrative inspection warrant.
2. You have the right to refuse to consent to this inspection.
3. Anything of an incriminating nature which may be found may be seized and used against you in a criminal prosecution.
4. You shall be presented with a copy of this Notice of Inspection.
5. You may withdraw your consent at any time during the course of the inspection.

## ACKNOWLEDGEMENT AND CONSENT

I, James Schoen, have been advised of the above Statement of Rights  
by DEA Diversion Investigator - Angie Francis, who  
(Name)  
(Title and Name)

has identified himself/herself to me with his/her credentials and presented me with this Notice of Inspection containing a copy of sections 302(f) and 510(a), (b) and (c) of the Controlled Substances Act (21 U.S.C. 822(f) and 21 U.S.C. 830(a), (b) and (c), printed hereon, \* authorizing an inspection of the above-described controlled premises. I hereby acknowledge receipt of this Notice of Inspection. In addition, I hereby certify that I am the Controlled Substance Manager  
(President) (Manager) (Owner)

for the premises described in this Notice of Inspection; that I have read the foregoing and understand its contents; that I have authority to act in this matter and have signed this Notice of Inspection pursuant to my authority.

I understand what my rights are concerning inspection. No threats or promises have been made to me and no pressure of any kind has been used against me. I voluntarily give consent for inspection of these controlled premises.

James Schoen  
(Signature)

7/24/02  
(Date)

WITNESSES:

[Signature]  
(signed)

7/24/02  
(date)

[Signature]  
(signed)

7/24/02  
(date)

\* See Reverse

U.S. DEPARTMENT OF JUSTICE  
DRUG ENFORCEMENT ADMINISTRATIONNOTICE OF INSPECTION  
OF CONTROLLED PREMISES

DEA USE ONLY
FILE NUMBER

NAME OF INDIVIDUAL <u>Jim Schoen</u>	TITLE <u>CA Clerk</u>
NAME OF CONTROLLED PREMISES PRESCRIPTION SUPPLY INC.	[REDACTED]
NUMBER AND STREET 2233 TRACY ROAD	DATE <u>9-18-08</u>
CITY AND STATE Northwood, Ohio	ZIP CODE 43619
	TIME (initial inspection) <u>9:30 AM</u>

STATEMENT OF RIGHTS

1. You have a constitutional right not to have an administrative inspection made without an administrative inspection warrant.
2. You have the right to refuse to consent to this inspection.
3. Anything of an incriminating nature which may be found may be seized and used against you in a criminal prosecution.
4. You shall be presented with a copy of this Notice of Inspection.
5. You may withdraw your consent at any time during the course of the inspection.

ACKNOWLEDGMENT AND CONSENT

I, Jim Schoen (Name), have been advised of the above Statement of Rights  
by DEA Diversion Investigator Sandra White-Hope (Title and Name), who

has identified himself/herself to me with his/her credentials and presented me with this Notice of Inspection containing a copy of sections 302(f) and 510(a), (b) and (c) of the Controlled Substances Act (21 U.S.C. 822(f) and 21 U.S.C. 880(a), (b) and (c), printed hereon, \* authorizing an inspection of the above-described controlled premises. I hereby acknowledge receipt of this Notice of Inspection. In addition, I hereby certify that I am the CA Clerk Jim Schoen (President) (Manager) (Owner)

for the premises described in this Notice of Inspection; that I have read the foregoing and understand its contents; that I have authority to act in this matter and have signed this Notice of Inspection pursuant to my authority.

I understand what my rights are concerning inspection. No threats or promises have been made to me and no pressure of any kind has been used against me. I voluntarily give consent for inspection of these controlled premises.

[Signature]  
(Signature)

9-18-08  
(Date)

## WITNESSES:

[Signature] 9-18-08  
(signed) (date)

[Signature] 9/18/08  
(signed) (date)

\* See Reverse

U.S. DEPARTMENT OF JUSTICE  
DRUG ENFORCEMENT ADMINISTRATIONNOTICE OF INSPECTION  
OF CONTROLLED PREMISES

DEA USE ONLY
FILE NUMBER

NAME OF INDIVIDUAL	TITLE	
NAME OF CONTROLLED PREMISES Prescription Supply Inc.	DEA REGISTRATION NO. [REDACTED]	
NUMBER AND STREET 2233 Tracy Road	DATE 9/11/13	
CITY AND STATE Northwood, Ohio	ZIP CODE 43619	TIME (initial inspection) 9:40 am

## STATEMENT OF RIGHTS

1. You have a constitutional right not to have an administrative inspection made without an administrative inspection warrant.
2. You have the right to refuse to consent to this inspection.
3. Anything of an incriminating nature which may be found may be seized and used against you in a criminal prosecution.
4. You shall be presented with a copy of this Notice of Inspection.
5. You may withdraw your consent at any time during the course of the inspection.

## ACKNOWLEDGMENT AND CONSENT

I, Jim Schenck, have been advised of the above Statement of Rights  
(Name)  
by DEA Diversion Investigator Paula Albert, who  
(Title and Name)

has identified himself/herself to me with his/her credentials and presented me with this Notice of Inspection containing a copy of sections 302(f) and 510(a), (b) and (c) of the Controlled Substances Act (21 U.S.C. 822(f) and 21 U.S.C. 880(a), (b) and (c), printed hereon, \* authorizing an inspection of the above-described controlled premises. I hereby acknowledge receipt of this Notice of Inspection. In

addition, I hereby certify that I am the

C. S. M. [Signature] L. H. Clark  
(President) (Manager) (Owner)

for the premises described in this Notice of Inspection; that I have read the foregoing and understand its contents; that I have authority to act in this matter and have signed this Notice of Inspection pursuant to my authority.

I understand what my rights are concerning inspection. No threats or promises have been made to me and no pressure of any kind has been used against me. I voluntarily give consent for inspection of these controlled premises.

[Signature]  
(Signature)  
9-11-13  
(Date)

## WITNESSES:

D/I Paula Albert [Signature]  
(signed)

9/11/13  
(date)

D/I Jason Smith [Signature]  
(signed)

9/11/13  
(date)

\* See Reverse



U.S. DEPARTMENT OF JUSTICE  
DRUG ENFORCEMENT ADMINISTRATIONNOTICE OF INSPECTION  
OF CONTROLLED PREMISES

DEA USE ONLY
FILE NUMBER

NAME OF INDIVIDUAL	TITLE	DEA REGISTRATION NO.
NAME OF CONTROLLED PREMISES Prescription Supply Inc	V.P.	[REDACTED]
NUMBER AND STREET 2233 Tracy Road	DATE	
CITY AND STATE Northwood, OH	ZIP CODE 43619	TIME (initial inspection) 9:40 am

## STATEMENT OF RIGHTS

1. You have a constitutional right not to have an administrative inspection made without an administrative inspection warrant.
2. You have the right to refuse to consent to this inspection.
3. Anything of an incriminating nature which may be found may be seized and used against you in a criminal prosecution.
4. You shall be presented with a copy of this Notice of Inspection.
5. You may withdraw your consent at any time during the course of the inspection.

## ACKNOWLEDGMENT AND CONSENT

I, Chris S. [Name], have been advised of the above Statement of Rights  
by DEA Diversion Investigator Jason Smith, who-  
(Title and Name)

has identified himself/herself to me with his/her credentials and presented me with this Notice of Inspection containing a copy of sections 302(f) and 510(a), (b) and (c) of the Controlled Substances Act (21 U.S.C. 822(f) and 21 U.S.C. 880(a), (b) and (c)), printed hereon, \* authorizing an inspection of the above-described controlled premises. I hereby acknowledge receipt of this Notice of Inspection. In

addition, I hereby certify that I am the

V.P. (President) (Manager) (Owner)

for the premises described in this Notice of Inspection; that I have read the foregoing and understand its contents; that I have authority to act in this matter and have signed this Notice of Inspection pursuant to my authority.

I understand what my rights are concerning inspection. No threats or promises have been made to me and no pressure of any kind has been used against me. I voluntarily give consent for inspection of these controlled premises.

(Signature) [Signature]

(Date) 5-6-15

## WITNESSES:

Wayne Groves

(signed) [Signature]

(date) 5-6-15

Jason Smith

(signed) [Signature]

(date) 5/6/15

\* See Reverse

**Prescription Supply Inc.**  
*Pharmaceutical Wholesale Distributor*  
2233 Tracy Road Northwood, Ohio 43619

April, 2014

